

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY


OF

THE AUDITOR-GENERAL

ON

**KENYA ACCOUNTANTS AND SECRETARIES
NATIONAL EXAMINATIONS BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2024**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2025	
DAY: Tuesday	
TABLED BY:	Hon. Owen Basya MP Deputy Majority Leader
CLERK-AT THE-TABLE:	Gertrude Chebet



OFFICE OF THE AUDITOR GENERAL
P. O. Box 20654 00100, NAIROBI
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ANNUAL REPORT

AND FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2024

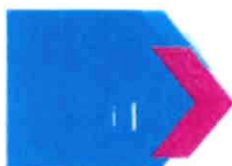
Prepared in accordance with the Accrual Basis of
Accounting under the International Public Sector
Accounting Standards (IPSAS)



kasneb is ISO 9001:2015 certified

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ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

BETA	Bottom Up Transformational Agenda
CEO	Chief Executive Officer
CSP	Corporate Strategic Plan
ERP	Enterprise Resource Planning
FY	Financial year
ICPAK	Institute of Certified Public Accountants of Kenya
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PFMA	Public Finance Management Act
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
QMS	Quality Management System
SC	State Corporations
SDG	Sustainable Development Goals
TS	Trust Secretary



CORPORATE INFORMATION

(a) **Legal framework**

Kenya Accountants and Secretaries National Examinations Board (KASNEB) is a state corporation established under section 14 of the Accountants Act, No. 15 of 2008 which repealed and replaced the Accountants Act, Cap 531 of 1977. The establishment and operations of KASNEB are also recognised under the Certified Public Secretaries of Kenya Act, Cap 534 of 1988 and the Investment and Financial Analysts Act No.13 of 2015.

Pursuant to Section 17(2) of the Accountants Act, KASNEB consults with the Councils of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretaries of Kenya (ICPSK), Institute of Certified Investment and Financial Analysts (ICIFA), as well as other stakeholders in executing its mandate.

(b) **Principal activities**

The mandate of KASNEB is the development of syllabuses; conduct of post professional, professional, diploma and certificate examinations and certification of candidates in accountancy, finance, fraud investigation, credit, governance and management, information technology and related disciplines; promotion of its qualifications nationally, regionally and internationally and the accreditation of relevant training institutions in liaison with the ministry in charge of education.

(c) **Location and principal place of business**

Kasneb Towers

Hospital Road, Upper Hill
P.O. Box 41362-00100
NAIROBI

(d) **Contact Details**

Telephone: +254 020 4923000
0722201214

Email: info@kasneb.or.ke

Website: www.kasneb.or.ke

Facebook: kasnebOfficial

X: @kasnebOfficial

Instagram: kasneb

(e) **Bankers**

National Bank of Kenya Ltd.

Hill Plaza Branch
P. O. Box 45219-00100
NAIROBI

Absa Bank of Kenya Ltd.

Enterprise Road Branch
P. O. Box 18060-00500
NAIROBI

Equity Bank Ltd.

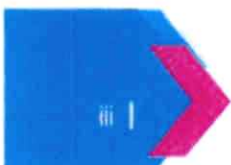
Community Branch
P. O. Box 8181-00100
NAIROBI

Co-operative Bank of Kenya Ltd.

Nairobi Business Centre
P. O. Box 48213-00100
NAIROBI

Kenya Commercial Bank Ltd.

Capital Hill Branch
P. O. Box 58233-00200
NAIROBI



CORPORATE INFORMATION

(f) **Independent auditors**

Auditor-General

Office of the Auditor General
3rd Floor, Anniversary Towers, University Way
P. O. Box 30084-00100 NAIROBI

(g) **Principal legal adviser**

The Attorney-General

Sheria House, Harambee Avenue
P. O. Box 40112-00100 NAIROBI

(h) **Parent Ministry**

The National Treasury and Economic Planning

Treasury Building, Harambee Avenue
P.O. Box 30007-00100 NAIROBI

(i) **Fiduciary management**

The day to day management of the organisation is under the following key management personnel who held office during the financial year ended 30 June 2024 and who had direct fiduciary responsibility.

No.	Designation	Name
1.	Secretary/Chief Executive Officer	Prof. Nicholas K. Letting' PhD.
2.	Director Corporate Services	FCPA Isaac M. Njuguna
3.	Ag. Director Strategy and Planning	Ms. Caroline W. Karia
4.	Ag. Director Curriculum Research and Development	CPA. Erasto M. Ng'ang'a
5.	In charge Test Development	
6.	Ag. Director Internal Audit and Risk Assurance	CPA Jason K. Mwangi
7.	Ag. Director Examinations Administration and Processing	Mr. Joseph N. Kariga
8.	Ag. Director Supply Chain Management	Mr. Francis A. Okubo
9.	Deputy Director Human Resource Management	CHRP Marylucy A. Ajwang'
10.	Deputy Director Marketing and Communication	Ms. Hamida A. Mwilu
11.	Deputy Director Finance	CPA Sailot A. Keke
12.	Deputy Director ICT	Mr. Anthony Alex Simiyu Watila
13.	Deputy Director Corporate Research, Innovation and Consultancy	Dr. Millicent A. Kabara, PhD
14.	Ag. Deputy Director Administration and Property Management	CPA CS Jostine N. Masinde
15.	Ag. Deputy Director Quality Assurance and Accreditation	Mr. Daniel N. Ngunyi
16.	Ag. Deputy Director, Legal Services	CPA CS Joyce M. Afanda

CORPORATE INFORMATION

(j) **Fiduciary Oversight Arrangements**

The Board through its Committees, Sub Committees, Trusts and the Secretariat has put in place systems aimed at enhancing governance, transparency, and accountability. The Board has four standing committees, one technical sub committee, one Ad-hoc committee and two trusts. The Audit and Risk Committee of the Board provides oversight with respect to the management of affairs of KASNEB'

(i) Board Committees

Examinations Committee

The Committee comprises all the members of the Board and Chief Examiners who are appointees of the Board. The Committee was chaired by Dr. Joseph M. Kanyi. The Committee oversees the overall mandate of the Board which is development of syllabuses, administration of examinations, accreditation of training institutions and certification of candidates.

Examinations Technical Sub-Committee

The Committee comprises of five (5) members of the Board, Chief Examiners and Technical experts appointed by the Board. The committee was chaired by Prof. CPA Elizabeth N. Kalunda. The Examinations Technical Sub-Committee is a permanent Sub-Committee of the Examinations Committee. Its principal responsibility is dealing with technical issues on examination matters including syllabuses, accreditation of training institutions, research and innovation as delegated by the Examinations Committee from time to time.

Finance and General Purposes Committee

The Committee comprises of six (6) members of the Board. The committee was chaired by FCS Diana Sawe Tanui. The Committee has oversight on all financial issues including budgets, financial reporting process and controls and procurement, implementation of the finance strategy, human capital strategy and information communication technology strategy.

Planning and Business Development Committee

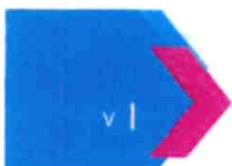
The Committee comprises of six (6) members of the Board. The committee was chaired by Dr. Percy Opio. This Committee spearheads the development of the corporate strategic plan, its implementation and monitoring. The committee also coordinates the performance contracting process.

Audit and Risk Committee

The Committee comprises of five (5) members of the Board. The Committee was chaired by FCS Nkirote Mworira until her retirement in November 2023 when FCPA George M. Obiria took over. This committee provides assurance to the Board and management on the adequacy of procedures relating to risk management, control and governance. The Committee reviews the internal and external audit findings and recommendations.

Digitalization Steering Ad-Hoc Committee

The Committee consists of four (4) members of the Board. The committee was chaired by Eng. Stephen Ogenga. The Committee is an ad-hoc committee of the Board that was established to spearhead the digitilisation of the activities in KASNEB. The ad - hoc committee also provides oversight on the implementation of the KASNEB ERP.



CORPORATE INFORMATION

(ii) Trusts Registered by the Board

KASNEB Staff Retirement Benefits and Life Assurance

KASNEB established KASNEB STAFF RETIREMENT BENEFITS AND LIFE ASSURANCE SCHEME under the irrevocble Trustees Perpetual Succession Act as an occupational present and future and for the employees of such other companies as may adhere to the Scheme under the KASNEB Staff Retirement Benefits and Life Assurance Scheme Trust Deed and Rules.

KASNEB Foundation

KASNEB established the KASNEB Foundation as an irrevocable Trust under the Trustees Perpetual Succession Act to provide financial assistance in the form of loans and bursaries to needy students who wish to pursue KASNEB qualifications.

(k) Members of the Board



Dr Nancy N. Muriuki, Ph.D

Dr Nancy N. Muriuki, Ph.D was appointed the Chairman of the Board effective from 1 November 2021. She is a nominee of the Board of KASNEB in accordance with Section 15(1)(h) of the Accountants Act, No. 15 of 2008

She holds a PhD in Organisational Leadership from Regent University, Virginia Beach, VA, USA, Masters of Business Administration (MBA) and Bachelor of Commerce (B.Com.) degrees from the University of Nairobi.

She is a holder of the Certified Secretaries (CS) qualification, Certified Governance Auditor, and Diploma in Management

She is a member of the Institute of Human Resource Management (IHRM-K), the Kenya Institute of Management (KIM), the Institute of Certified Secretaries (ICS), Women on Boards (Kenya) and the Greenleaf Center for Servant Leadership.

Dr. Muriuki has vast experience in organizational leadership and governance, human resource management, Board and Institutional strengthening spanning diverse sectors and across cultures.

She is currently an adjunct faculty member at Pan Africa Christian University (PAC) and the Founder/Managing Director, Africa Success Enhancement Lab (ASEL), where she advocates for servant leadership principles preparing leaders to serve for common good.

CORPORATE INFORMATION



Dr. Joseph M. Kanyi

Dr Joseph M Kanyi was appointed the Vice Chairman of the Board effective from 1 November 2021. He is a nominee of the Ministry of Education in accordance with Section 15(1)(b) of the Accountants Act, No. 15 of 2008.

He is a holder of a PhD in Entrepreneurship and a Master of Science (MSc) in Entrepreneurship from Karatina University and Kenyatta University respectively. He holds a Bachelor of Science (BSc) in Entrepreneurship from Karatina University and a Diploma in Technical Education from Kenya Technical Trainers College.

Dr. Kanyi's major experience lies in leading cross-functional teams to bring about fundamental change and improvement in strategy, processes, and profitability – both as a leader and expert consultant in both Micro Small and Medium Sized Enterprise (MSME) and Technical Vocational Education and Training (TVET) world. He has vast experience in initiating and delivering sustained results and effective change in the MSME Development in Kenya. He also has a solid and first-hand experience in Management of Donor Funded Development Projects.

Dr. Kanyi is currently the Deputy Director, Vocational and Technical Education, State Department for TVET in the Ministry of Education.



CPA Jane W. Njogu-Macharia

CPA Jane W. Njogu- Macharia was appointed as a member of the Board effective from 1 October 2022. She is a nominee of the National Treasury and Economic Planning in accordance with Section 15(1)(a) of the Accountants Act, No. 15 of 2008.

She holds a Masters of Business Administration (Finance) degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT), a Bachelor of Education degree from Moi University majoring in Maths and Economics.

She is also a Certified Public Accountant of Kenya, CPA(K) and a Member of the Institute of Certified Public Accountants of Kenya (ICPAK).

CPA Jane holds a Certified Information System Auditor (CISA) qualification and is a member of Information Systems Audit and Control Association (ISACA). She is well trained in public finance management, particularly in government liquidity and debt management. She is currently pursuing PhD at JKUAT.

She has served in various positions in both private and public entities in the areas of auditing, accounting and finance management. She is currently the Deputy Accountant General in charge of Exchequer operations at The National Treasury and Economic Planning.

CORPORATE INFORMATION



FCPA/CS George M. Obiria

FCPA/CS George M. Obiria was appointed as a member of the Board effective from 1 November 2021. He is a nominee of the Institute of Certified Public Accountants of Kenya (ICPAK) in accordance with Section 15(1)(f) of the Accountants Act, No.15 of 2008. He is a holder of Masters of Business Administration and Bachelor of Business Management (BBM) degrees.

He is the immediate past National Chairman and the former National Vice Chairman of ICPAK. He is also the Vice Chairman of the Mombasa County Public Service Board where he also chairs the Board Audit and Compliance Committee in addition to being a member of the Complaints Committee of the Board.

FCPA Mokua is a former member of the Board of Pan African Federation of Accountants (PAFA) and the Board of Trustees of KCA University, and is the Managing Partner of Mokua Onwonga & Co. Certified Public Accountants and also Principal Partner of Ledger Registrars LLP Certified Secretaries



CPA Prof. Elizabeth Kalunda-Muvui

CPA Prof. Elizabeth Kalunda-Muvui was appointed as a member of the Board effective from 1 November 2021. She is a nominee of the Institute of Certified Public Accountants of Kenya (ICPAK) in accordance with Section 15(1)(f) of the Accountants Act, No.15 of 2008.

She holds a Doctor of Philosophy degree in Business Administration from the University of Nairobi, a Masters in Business Administration (M.B.A) with a focus on Accounting from the University of Nairobi, and a Bachelors in Education from Moi University. Additionally, she is a Certified Public Accountant (Kenya) and a Certified Public Mediator (CPM).

Prof. Kalunda is the current Vice Chairman of ICPAK. She is a seasoned consultant, facilitator and researcher.

Prof. Kalunda-Muvui is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Association of Women Accountants of Kenya (AWAK), Board of management member in two Secondary Schools in Kenya. Board of Director of Lofty Corban Investments Ltd and a patron of Start Up Shujaa a platform for youth entrepreneurs.

Prof. Kalunda is an Associate Professor at the United States International University- Africa (USIU-A) and the Acting Deputy Vice- Chancellor, Finance and Operations.

CORPORATE INFORMATION



Eng. Stephen O. Ogenga

Eng. Stephen O. Ogenga was appointed as a member of the Board effective from 1 November 2021. He is a nominee of the Board of KASNEB in accordance with Section 15(1)(d) of the Accountants Act, No. 15 of 2008. He holds Master of Engineering Science (Computer Eng.) from QUT-Brisbane, Queensland, and a Bachelor of Engineering Technology (Electrical/ Electronics) from USQ, Australia.

He is a member of the Institute of Electrical and Electronic Engineers (MIEEE), a Fellow of the Institute of Engineering Technologists (FIET-Kenya). He serves as the Deputy Executive Chair of the Sub-Saharan African Skills and Apprenticeship Stakeholders Network (SASASNET) representing East and Central Africa.

Eng. Ogenga is a Council Member of the Kenya National Qualifications Authority (KNQA) and the Academic Committee Board Member of the Railway Training Institute for the transformation of Training, Assessment and Certification of Railway Transport Systems.

Eng. Ogenga has vast experience in the areas focusing on the development of LET policies to enable an Industrial skilling ecosystem that enhances competitiveness, productivity, relevance, equality and access.



Dr. Percy Opio

Dr. Percy Opio was appointed as a member of the Board effective from 1 November 2021. He is a nominee of the Board of KASNEB in accordance with Section 15(1)(h) of the Accountants Act, No. 15 of 2008.

He is a holder of a Doctorate of Strategic Leadership (Strategic Foresights concentrate) degree from Regent University, Virginia Beach, VA, USA, Master of Arts in Leadership degree from PAC University, Bachelor of Education (Arts) degree from Moi University, and Management Information Systems Diploma from the Institute of Management Information Systems (UK).

Dr. Percy is a scholar-practitioner with expertise in Leadership Development, Strategy, Technology and Innovation with a keen interest in futures studies and strategic foresights. As an academician, he serves as an Adjunct Lecturer at Pan African Christian (PAC) University and International Leadership University both in the Leadership Departments. He is also involved in digitisation and innovation initiatives in healthcare and education.

Dr. Percy has over twenty-five (25) years' experience in ICT out of which ten (10) years were in the banking industry at management and executive levels. He previously held the position of General Manager-ICT at Equity Bank Kenya where he played a key role in rolling out digitization and automation projects. He is a member of the Association of Professional Futurists and author of The Future of Banking in Kenya.

CORPORATE INFORMATION

Dr. Percy's consultancy engagements cover ICT Audits, Leadership Development Programmes, Process Re-engineering, Design Thinking, Strategy Formulation, Review and Execution, ICT Advisory Services, Board Evaluations and Governance Audits. His experience cuts across several sectors that include Financial Services, Education, Manufacturing, Service Industry, Religious Sector and Non-Governmental Organisation (NGOs). He currently serves as Chief Executive – Strategy and Innovation at The Leadership Group.



Mr. Yussuf M. Ibrahim

Mr. Yussuf M. Ibrahim, was appointed as a Member of the Board with effect from 1 November 2023. He is a nominee of the Board of KASNEB in accordance with Section 15(1)(d) of the Accountants Act No. 15 of 2008. He holds a Master of Science (MSc) in Human Resource Management, a Bachelor of Arts and Higher National Diploma in Human Resource Management from the Kenya National Examinations Council (KNEC).

Mr. Ibrahim is a member of the Institute of Human Resource Management (IHRM-K). He is a Human Resource Practitioner in the public sector with over 28 years experience. He currently serves as Director, Human Resource Management and Development at the Ministry of Public Service, Performance and Delivery Management



Ms. Dorcas Nyalwidhe

Ms. Dorcas A. Nyalwidhe was appointed as a member of the Board of KASNEB effective from 20 November 2020 until 30 October 2023 when her term on the Board lapsed. She was a nominee of the Attorney General in accordance with Section 15(1)(e) of the Accountants Act No. 15 of 2008.

Ms. Nyalwidhe holds a Postgraduate diploma in Law, Advocates Training Programme (ATP) from the Kenya School of Law and a Bachelor of Laws (LLB) Degree from the University of Nairobi. She represents the Public Trustee of Kenya in the Family Division Court Users Committee in the High Court at Nairobi. She is a trained Integrity Assurance officer with vast experience in administration of Estates and Trusts, Succession and Family law and interests in Alternative Dispute Resolution.

She currently serves as Chief State Counsel, Deputy Public Trustee and Head of litigation section in the Department of Public Trustee, Office of the Attorney General and Department of Justice.

CORPORATE INFORMATION



Ms. Lilian Abishai

Ms. Lilian Abishai was appointed as a member of the Board effective from 1 November 2023. She is a nominee of the Attorney General in accordance with Section 15(1)(e) of the Accountants Act No. 15 of 2008. She holds a Postgraduate diploma in Law, Advocates Training Programme (ATP) from the Kenya School of Law, Bachelor of Laws (LLB) from the University of Nairobi and Master of Law (LLM) in International Trade and Commercial Law from the University of Essex, UK.

She has expertise in a number of areas of law such as Contract Law, Private Public Partnerships, Public Procurement, International Procurement, Energy Law, Public Finance, Public Policy, Competition Law, Arbitrations both national and International.

She also has a robust skill set that includes legal advice, legal writing, contract drafting, legal analysis and research, negotiating contracts and financing, legal due diligence and legal audits.

Ms. Abishai is proficient in serving in public service having undertaken Senior Management Course (SMC) and Strategic Leadership Development Programme (SLDP) at the Kenya School of Government. She has served in various capacities in senior positions in Government for over ten (10) years and in various Boards such as Kenya Film Commission (KFC), Kerio Valley Development Authority (KVDA) and Public Procurement Regulatory Authority (PPRA). She has also served in various Taskforces and Committees.

Ms. Abishai currently serves as a Deputy Chief State Counsel in the Office of the Attorney General and Department of Justice.



FCS Nkirote Mworira

FCS Nkirote Mworira was appointed as a member of the Board effective from 20 November 2020 until 19 November 2023 when her term on the Board lapsed. She was a nominee of the Institute of Certified Public Secretaries of Kenya in accordance with Section 15(1)(g) of the Accountants Act No.15 of 2008. She is a holder of a Masters of Laws (LLM), from University of Cape Town, Masters of Business Administration (MBA) from the United States International University, Africa and Bachelor of Laws (LLB) from the University of Reading, England.

FCS Nkirote is a fellow of the Institute of Certified Public Secretaries of Kenya where she has served up to the position of Vice Chairman. She is also an active member of the Law Society of Kenya (LSK) and the Institute of Human Resource Management (IHRM-K). She has been involved in the development of the Code of Practice for Advertising Practitioners in Kenya, the ICPSK Code of Governance for Private Organizations in Kenya and the review of the framework for implementation of Governance Audits under the Capital Markets Authority (CMA) Code of Governance for Issuers of Securities to the Public.

She is currently the Group Human Capital Executive at Old Mutual Kenya.

CORPORATE INFORMATION



FCS Diana S. Tanui

FCS Diana S. Tanui was appointed as a member of the Board effective from 20 November 2020 until 19 November 2023 when her term on the Board lapsed. She was a nominee of the Institute of Certified Public Secretaries of Kenya in accordance with Section 15(1)(g) of the Accountants Act No. 15 of 2008. She holds a Postgraduate diploma in Law, Advocates Training Programme (ATP) from the Kenya School of Law and a Bachelor of Laws (LLB) from the Moi University. She is currently pursuing a Masters of Laws, Public Finance and Financial Services at the University of Nairobi.

She is a Certified Public Secretary, an Advocate of the High Court of Kenya with over 17 years experience, a Fellow of the Chartered Institute of Arbitrators, a trained Governance Auditor and the immediate past Chairperson of the Institute of Certified Public Secretaries of Kenya.

FCS Diana has served in several boards, both public and private sectors and actively serves in various capacities in the professional bodies. She is a Member of the following professional associations: Institute of Certified Public Secretaries of Kenya (ICS), Law Society of Kenya (LSK), East Africa Law Society (EALS) and Chartered Institute of Arbitrators (CI Arb). In addition, she is a founder member of the Kenya Women in Insurance, a member of the Institute of Directors Kenya, the Women on Boards Network and the Kenya Christian Lawyers Fellowship.

She is currently the Corporation Secretary and Director Legal Services at the Insurance Regulatory Authority.

CORPORATE INFORMATION

(i) Senior Management



Prof. Nicholas K. Letting', Ph.D., EBS, HSC
Secretary/Chief Executive Officer

Prof. Nicholas K. Letting', Ph.D., EBS, HSC, is the Secretary/Chief Executive Officer of KASNEB and the immediate past Vice Chancellor/Chief Executive Officer of the Management University of Africa (MUA). He is also an Adjunct Associate Professor at KCA University, Kenya. He is a triple alumnus of the University of Nairobi from where he acquired a Doctor of Philosophy (Ph.D) in Business Administration (Strategic Management), a Masters in Business Administration (MBA) and Bachelor of Commerce (Marketing option).

He is a holder of three (3) Professional Qualifications from KASNEB namely; Certified Public Accountant (CPA), Certified Public Secretary (CPS) and Certified Investments and Financial Analyst (CIFA). He has attended several leadership courses including The Effective Director Programme at Strathmore University Business School (SBS) and Strategic Leadership Development Programme from Kenya School of Government (KSG).

Prof. Letting' is a Fellow in four (4) professional bodies namely; the Institute of Certified Public Secretaries (ICPSK), the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Investments and Financial Analysts (ICIFA) and the Kenya Institute of Management (KIM). In addition, he is a member in good standing of the Institute of Directors (IoD) and the Institute of Human Resource Management (IHRM- K).

He has over twenty-five (25) years experience in industry and academia drawn from both the private and public sectors. For over ten (10) years as CEO he has provided top notch administrative, financial, strategic leadership and mentorship services in reputable organisations. He previously worked at British American Tobacco (BAT), Kenya, MUA and Kenya Institute of Management (KIM).

Prof. Letting' is a member of Multi – Agency Taskforces (MAT) in The National Treasury and Economic Planning for the drafting of the Accountants' Amendment Bill, 2024 which included developing regulations to the Accountants Act No.15 of 2008 and the drafting of the Certified Public Secretaries' Amendment Bill, 2023.

He is a member of the Councils of ICPAK, ICS and ICIFA where he chairs various Committees. He was the Chairman of the Institute of Certified Public Secretaries of Kenya (ICPSK) from the year 2014 to 2016 and was also a Council Member of the Kenya Institute of Curriculum Development (KICD) during the formulation of the Competency Based Curriculum for the Basic Education in Kenya.

Prof. Letting' is currently the Chairman of the Association of Professional Societies of East Africa (APSEA) where he previously served as Honorary Treasurer for four (4) years. He represents APSEA on the Board of Public Sector Accounting Standards Board (PSASB). He is also a volunteer in many societal development and humanitarian organisations such as the Kenya Red Cross Society (KRCS) where he serves as a Treasurer of the Lower Eastern Region (LER).

CORPORATE INFORMATION

(I) Heads of Directorates



FCPA Isaac M. Njuguna
Director Corporate Services

FCPA Isaac M. Njuguna serves as the Director of Corporate Services. He has previously served as the Director of Examinations at KASNEB. His current role entails ensuring accountability, transparency and reporting on finances, coordinating the management of human resource, spearheading marketing initiatives and ensuring proper management of KASNEB property and facilities.

FCPA Njuguna holds a Bachelor of Commerce (Accounting) and Master of Business Administration (Finance) degrees from the University of Nairobi. In addition, he is a Certified Public Accountant and member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is also a member of the Institute of Certified Investment and Financial Analysts (ICIFA) and the Kenya Institute of Management (KIM). He was awarded a fellowship by ICPAK in the year 2021 for his distinguished service of over twenty years to the accountancy profession

.In addition to his responsibilities at KASNEB, FCPA Njuguna has served the accountancy profession in other spheres both at national, regional and international levels. He has served as a Board member of the International Accounting Education Standards Board and currently serves in the Accountancy Learning and Development Committee of the Pan Africa Federation of Accountants (PAFA). He also serves in the Technical Committee of the East Africa Community Institutes of Accountants (EACIA). In addition, he has served as a World Bank consultant on the development of the accountancy profession in Burundi. He also previously served on the multi-agency task force on review of the Accountants Act in Kenya.

FCPA Njuguna is passionate about accountability, ethical leadership, integrity and professionalism in public service. In this connection, he has participated in and addressed various fora on these tenets both in and outside Kenya. He is also a champion on embracing environmental, social and governance (ESG) practices as drivers of institutional sustainability.



Caroline W. Karia
Ag. Director, Strategy and
Planning

Caroline W. Karia is the Acting Director, Strategy and Planning. She is also the Quality Management Representative.

Caroline co-ordinates the functions of three Divisions in the Directorate namely; Planning and Performance Management, Quality Management System and Risk Management Co-ordination; and Corporate Research, Innovation and Consultancy Divisions respectively.

She is the Co-Chair of the joint KASNEB/KEBS Steering Committee tasked to operationalise the quality professional certification programme in Kenya and beyond.

Caroline holds a Bachelor of Education (Arts) degree from Moi University and Master of Business Administration (MBA) from Deakin University, Melbourne, Australia, the compass guiding her global journey of

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professional stints in Swaziland, Australia, and Kenya. Each destination enriched her tapestry of experiences, culminating in a remarkable over 20-year legacy in strategic management, governance, consulting and management training.

Caroline is a Fellow Chartered Governance Professional and a member of the Chartered Governance Institute (UK). She is also a Chartered Quality Professional and a member of the Chartered Quality Institute (UK). In addition, she holds a Post-graduate diploma in Marketing Management and is a member of the Chartered Institute of Marketing (UK); and a Postgraduate Diploma in Project Planning and Management from Catholic University of Eastern Africa.

She is a Lead Internal Quality Auditor and a member of the National Quality Institute (NQI).

Amidst her accomplishments, Caroline remains a student at heart. Nestled in the hallowed halls of the Edinburgh Business School at Heriot-Watt University, UK, she's presently sculpting her Doctorate in Business Administration (DBA).

For Caroline, it's a burning passion envisioning a world where strategy, governance and quality management are harmoniously intertwined, a world where organizations don't just compete but thrive.



CPA Erasto Mukuria Ng'ang'a
Ag. Director Curriculum
Research and Development

CPA Erasto Mukuria Ng'ang'a is the Acting Director Curriculum Research and Development at KASNEB. He holds a Bachelor of Commerce (B. CoM) degree (Accounting and Finance Double Major, First Class Honours) and a Master of Commerce (M.CoM) degree in Forensic Accounting (Distinction) both from Strathmore University

In addition, he holds a Diploma in Technical Education (Accounting and Mathematics Major) from the Kenya Technical Teachers College (KTTC) recently renamed the Kenya College of TVET. He is a Certified Public Accountant CPA (K) and is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

He is also a member of the Institute of Certified Investment and Financial Analysts (ICIFA). He has undertaken many short courses in the areas of Accounting, Finance, Communication, Governance, Strategic Management, Innovation as well as Transformational Leadership.

He boasts of vast experience in the areas of training, development of test instruments as well as curriculum research and development in Accounting, Finance and related disciplines.

CORPORATE INFORMATION



Joseph N. Kariga
Ag. Director Examinations
Administration and Processing

Joseph N. Kariga is the Ag. Director Examinations Administration and Processing at KASNEB. He has over 25 years' experience in logistics and examinations management gained from the private and the public sector. He has previously served as Deputy Director Examinations Administration as well as Manager Examinations Administration and Logistics at KASNEB. He also served as a Procurement Officer in various public institutions in Kenya. He holds a Master of Arts Degree in Economic Geography and a Bachelor of Arts degree in Economics/Geography from the University of Nairobi. He is a member of the Chartered Institute of Purchasing and Supply (CIPS (UK) and a member of the Kenya Institute of Supplies Management (KISM).



CPA Jason K. Mwangi
Ag. Director Internal Audit and
Risk Assurance

CPA Jason K. Mwangi is the Acting Director Internal Audit and Risk Assurance at KASNEB.

He holds Bachelor of Commerce degree in Accounting and a Masters degree in Strategic Management. He is also a Certified Public Accountant of Kenya, Certified Internal Auditor, Certified Information Systems Auditor and Certified Professional in Risk Management Assurance (CRMA). He is an active member of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Internal Auditors (IIA) and Information Systems Audit & Control Association (ISACA).

His responsibilities are providing an independent and objective assurance to management and the Board on the effectiveness of risk management, internal controls and governance processes.



Francis A. Okubo
Ag. Director, Supply Chain
Management

Mr. Francis A. Okubo is the Acting Director, Supply Chain Management. Francis is a licensed Supplies Practitioner with over 15 years' experience in managing Procurement and Supply Chain Management functions in both the Public and Private Sector.

He holds a Bachelors of Education (B.Ed – Business Studies Major), Masters in Business Administration from the University of Nairobi and a Diploma in Supply Chain Management from the Technical University of Kenya.

He is also holder of Advanced Certificate in Organizational Development (Germany); Strategic Leadership Development Programme (KSG); Advanced Certificate in World Bank's Procurement Framework Management and Executive Leadership in Supply Chain Transformation (Strathmore University).

Mr Okubo has vast experience in Project Management, Logistics, Quality Management Systems, Performance Contracting, Knowledge Management, Policy Formulation and Analysis, Lecturing, Examinations Administration and Management including Co-authoring and Peer Review of International Academic Journals.

He is an active member of the Kenya Institute of Supplies Management (KISM) and National Quality Institute (NQI) and a QMS Qualified Lead Auditor and Licensed Supplies Practitioner

CORPORATE INFORMATION



Daniel N. Ngunyi
Ag. Deputy Director Quality Assurance and Accreditation

Daniel N. Ngunyi is the Acting Deputy Director Accreditation at KASNEB.

He holds a Bachelors Degree in Education, Master of Science in Geospatial Information Systems and Remote Sensing (GIS & RE) and Master of Science in Information Technology Management (ITM).

He is also a holder of Certified Information Security Manager (CISM), Certified Information Systems Auditor (CISA) and Lead Auditor, ISO 9001:2015 Quality Management Systems Requirements.

He is a member of Information Systems Audit and Control Association (ISACA) and the National Quality Institute (NQI-KEBS).

His key responsibilities are overseeing the Quality Assurance of examination processes and activities and coordination of the accreditation of training institutions.



CS CPA Joyce M. Afanda
Ag. Deputy Director, Legal Services.

CS Joyce M. Afanda is the Ag. Deputy Director Legal Services. She has over fifteen years' experience in legal, governance and audit matters both in the private and public sector.

She is a Commissioner of Oaths, an Advocate of the High Court of Kenya, Certified Public Secretary, Certified Public Accountant, Certified Governance Ethics Risk and Compliance Expert, a Trained and Certified Negotiator and Mediator by the University of Aberdeen (UK).

She holds a Masters of Business Administration (MBA) degree in Human Resources Management from Kenyatta University and a Bachelor of Laws (LLB) Degree from the University of Nairobi.

CS Joyce also holds a Post Graduate Diploma from the Kenya School of Law.

She an active member of the Law Society of Kenya, the Institute of Certified Public Secretaries of Kenya (ICPSK) and the Institute Certified Public Accountants of Kenya (ICPAK).

Her key responsibilities are management of Board and committee meetings, advising on all legal and compliance matters, contract negotiation and management, governance audit and related issues.

CORPORATE INFORMATION

(i) Board Committees

The Board has established four standing committees, one sub-committee, one ad-hoc committee and two trusts. Each Committee meets at least four times a year under the terms of reference approved by the Board. The following is the list of committees of the Board and membership during the financial year 2023/2024.

EXAMINATIONS COMMITTEE (EC)**Joseph M. Kanyi**

Nancy N. Muriuki
Jane W. Njogu-Macharia
Lilian Abishai
Yussuf M. Ibrahim
George M. Obiria
Elizabeth N. Kalunda-Muvui
Stephen Ogenga
Percy Opio
Geoffrey I. Injeni
Ismail A. Lukandu
Mary Reba Chabeda-Ouko
Jonah K. Aiyabei
Pius M. Kyambi
Nicholas K. Letting'

**EXAMINATIONS TECHNICAL
SUB-COMMITTEE (ETSC)****Percy Opio**

Stephen Ogenga
Elizabeth N. Kalunda-Muvui
Joseph M. Kanyi
Yussuf M. Ibrahim
Geoffrey I. Injeni
Ismail A. Lukandu
Mary Reba Chabeda-Ouko
Jonah K. Aiyabei
Pius M. Kyambi
Samuel Omondi Obudho
Benson K. Murgor
Wilfred Owalla
Sylvia Akoto
Solomon T. Ngahu
Donald O. Otieno
Nicholas K. Letting'

**FINANCE AND GENERAL
PURPOSES COMMITTEE (FGPC)**

Elizabeth N. Kalunda-Muvui
Joseph M. Kanyi
Jane W. Njogu-Macharia
Yussuf M. Ibrahim
Elizabeth N. Kalunda-Muvui
Stephen Ogenga
Nicholas K. Letting'

**AUDIT AND RISK
COMMITTEE (ARC)**

George M. Obiria
Jane W. Njogu-Macharia
Lilian Abishai
Percy Opio
Jason K. Mwangi- Secretary

**KASNEB STAFF RETIREMENT
BENEFITS AND LIFE
ASSURANCE SCHEME**

George M. Obiria
Lilian Abishai
Yussuf M. Ibrahim
Nicholas K. Letting'
(Trust Secretary)
Catherine W. Maringa
Felistas M. Kyuli
Joseph N. Ndung'u
Raymond O. Ochieng'

CORPORATE INFORMATION

PLANNING AND BUSINESS DEVELOPMENT COMMITTEE

Jane W. Njogu-Macharia

Percy Opio

Lilian Abishai

George M. Obiria

Elizabeth N. Kalunda-Muvui

Nicholas K. Letting'

DIGITALIZATION STEERING ADHOC COMMITTEE

Stephen Ogenga

Percy Opio

Joseph M. Kanyi

George M. Obiria

Nicholas K. Letting'

KASNEB FOUNDATION

Percy Opio

Nancy N. Muriuki

Julius W. Mwatu

Charles M. Ringera

Nicholas K. Letting'
(Trust Secretary)

Sailot A. Keke
(Trust Treasurer)

CHAIRMAN'S STATEMENT



Dr. Nancy N. Muriuki, Ph.D
Chairman of the Board

KASNEB launched computer-based examinations (CBE) in the year 2021 partly as a response to the disruptions occasioned by the Covid-19 pandemic and also to enhance efficiency and security in administration of its examinations. The number of candidates sitting for the computer-based examinations has continued to increase and averaged over 5,000 per sitting during the financial year under review.

Introduction

On behalf of the Board of KASNEB, it is my pleasure to present the annual report and financial statements for the financial year ended 30 June 2024 and the outlook for the financial year 2024/2025.

The Board is responsible for the oversight and strategic stewardship of KASNEB towards a sustainable future. During the financial year under review, the Board ensured that KASNEB continued to effectively discharge its mandate. This was achieved amidst the backdrop of several uncertainties and disruptions at the national and global levels, including; floods, drought, local currency exchange rate fluctuations, inflationary trends, changing customer preferences, stiff global competition and technological changes.

Governance

The operations of KASNEB are governed by the Accountants Act, No. 15 of 2008 and the Accountants (Examinations) Rules, 2022; the Certified Public Secretaries Act, Cap. 534 of 1988 and the Investment and Financial Analysts Act, No. 13 of 2015. Section 15 (1) of the Accountants Act provides for the appointment by the Cabinet Secretary, National Treasury and Planning of eleven (11) members to serve on the Board for a period of three years.

Under the provisions of the Accountants Act no.15 of 2008, the Board has been mandated to establish committees it considers necessary to help it realise efficient and effective execution of its functions. The various Committees and Trusts established by the Board, their leadership, membership and their respective responsibilities are indicated separately as part of the annual report and financial statements. The members of the Board and its committees are provided with adequate resources as well as relevant and timely information to enable them discharge their fiduciary responsibilities and maintain full and effective control over strategic, financial, operational and compliance issues.

Corporate Strategic Plan (2022-2027)

The implementation of the sixth Corporate Strategic Plan (2022-2027) was in its second year of implementation. The Corporate Strategic Plan is aligned with the national priorities amongst other emergent issues recognizing KASNEB's critical role as an enabler in job creation for economic development. The strategic plan is anchored on four (4) strategic themes modelled on the balanced scorecard namely: Growth; Sustainability; Business

CHAIRMAN'S STATEMENT

Process Re-engineering; Staff Engagement and Enhanced Productivity. The Corporate Strategic Plan (2022-2027) provides robust strategies to facilitate the renewal of KASNEB for a sustainable growth trajectory.

The annual performance contract (PC) is aligned to the Corporate Strategic Plan. KASNEB has continued to perform well over the years. The evaluation of the PC (2022/2023) was undertaken on Monday, 11 September 2023 with a score of 3.0432 (good) compared with 2.8546 (very good) in the 2021/2022 financial year. The slight decline of 9% was partly attributed to capital projects which could not be implemented due to budget limitations and adoption of a new reporting format for assets and liabilities.

Developments Related to Examinations

The core mandate of KASNEB is tied to the development and administration of examinations. During the year under review, three (3) examination sittings were successfully administered in August 2023, December 2023 and April 2024. Adequate measures were put in place to ensure that the examinations were administered in an environment of security and integrity. In addition, the Board continued to explore measures of improving efficiency in the examinations processes, including merger of examination centres and simultaneous marking of examinations which reduced the waiting period for release of examinations results to candidates. KASNEB continued to partner with the Ministry of Education, Ministry of Foreign Affairs among other Government institutions in the administration of its examinations.

KASNEB launched computer-based examinations (CBE) in the year 2021 partly as a response to the disruptions occasioned by the Covid-19 pandemic and also to enhance efficiency and security in administration of its examinations. The number of candidates sitting for the computer-based examinations has continued to increase and averaged over 5,000 per sitting during the financial year under review.

The Certified Quality Professional (CQP) qualification, a novel qualification for quality management practitioners in Kenya and beyond was developed in collaboration with Kenya Bureau of Standards (KEBS) and launched on 8 August 2023.

In addition, KASNEB finalized the development of the Certified Public Finance Manager (CPFM) qualification together with the Diploma in Quality Management (DQM) qualification which was developed in partnership with the Kenya Bureau of Standards (KEBS).

The financial year also witnessed an acceleration in the collaboration initiatives with universities towards alignment of the relevant curricula to facilitate exemptions and credit transfers. In this connection, fifteen (15) universities have expressed interest to partner with KASNEB and have submitted their curricula for review. The process is expected to be completed by December 2024.

Ongoing Projects and Initiatives

During the year under review, KASNEB completed key projects including drilling of a borehole which was commissioned in February 2024, valuation of assets which was completed in May 2024 and the sub-metering project in KASNEB Towers II which was completed in June 2024. Through these projects, KASNEB has ensured a reliable and sustainable water supply for staff and tenants, enhanced accuracy in reporting on asset values and accuracy in billing of tenants on electricity consumption.

The Multi-purpose hall in KASNEB Towers II has continued to be used in the administration and marking of KASNEB examinations as well as other activities such as workshops, trainings, meetings and hiring out thus saving KASNEB expenses that would have been incurred in hiring facilities and also generating additional revenue. The occupancy rate in KASNEB Towers II for leased space was at 94% compared to 87% in the previous year. A potential client has already expressed interest to take up the remaining 6% of the space.

In addition, significant milestones were realized on the Enterprise Resource Planning (ERP) system. A number of modules were operationalized which translated into a completion rate of 75%. It is envisaged that full



CHAIRMAN'S STATEMENT

implementation of the ERP system will be realized in the 2024/2025 financial year which will lead to enhanced efficiency and effectiveness in operations.

ISO Quality Management System and Information Security Management System

KASNEB continued to implement the ISO 9001:2015 Quality Management System (QMS) which has significantly contributed to enhancing efficiency in operations. Internal ISO audits continued to be undertaken to ensure compliance with set procedures and processes. The first surveillance audit was undertaken by KEBS in August 2023 during which KASNEB maintained its continued ISO 9001 QMS certification.

KASNEB also plans to implement the revised ISO/IEC 27001:2022 Information Security Management System (ISMS) with a view to enhancing business continuity and information security management.

Marketing, Outreach and Public Communication

KASNEB continued to sensitise the public on the professional brand through various marketing, publicity, brand visibility, environmental social governance and customer service activities. KASNEB also continued to undertake various sensitisations to potential students through career talks in universities, colleges and schools as well as participation in national and international trade fairs.

During the year under review, a total of 300 secondary schools and 71 training institutions were visited. In addition, digital marketing channels were used to extend the outreach to potential students. Further, a customer satisfaction survey was undertaken which placed customers satisfaction with KASNEB at an overall rate of 84%, which was an improvement from the previous rate of 82%. The Board remains focused on expanding the marketing initiatives in the next financial year and beyond with a view to increasing the students base.

Outlook for 2024/2025

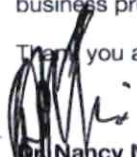
The Board is committed to implementing and realizing our strategic intent and continuously contribute to skills development as envisioned in the Constitution, Kenya Vision 2030, the fourth Medium-term Plan (2023-2027) and the Corporate Strategic Plan (2022-2027). KASNEB will continue to embrace innovation, research, nurture partnerships and prioritise customer satisfaction for sustainable growth.

Appreciation

On behalf of the Board, I wish to express our sincere gratitude to our valued customers, training institutions and stakeholders for their continued support, loyalty and confidence in the qualifications of KASNEB. I wish to thank members of the Board and its Committees for their unwavering commitment and support in ensuring continued sustainability of KASNEB. In the same vein, I wish to thank the management team and members of staff for their exceptional dedication, diligence and commitment in delivering quality service to our customers and esteemed stakeholders.

I also wish to most sincerely thank the Government of Kenya and our parent Ministry, the National Treasury and Economic Planning for their continued support and guidance in fulfilling the mandate of KASNEB. We remain committed in delivering on our mandate and realizing the vision of empowered and globally recognized business professionals.

Thank you and God bless you.


Dr Nancy N. Muriuki, PhD
CHAIRMAN OF THE BOARD

REPORT BY
**THE SECRETARY/
CHIEF EXECUTIVE OFFICER**



KASNEB's presence across various counties has been significant, with 40 of the 47 counties featuring an examinations centre. Plans are underway to open additional centres in the 7 remaining counties, that is, Kwale, Tana River, Lamu, Marsabit, West Pokot, Homa Bay and Elgeyo Marakwet.

Prof. Nicholas K. Letting' Ph.D, EBS, HSC
Secretary/Chief Executive Officer

The financial year 2023/2024 started on a positive note with a renewal focus on alignment of Government operations to the Bottom-up Economic Transformation Agenda (BETA) as Kenya marked two years since the last general elections. The second part of the year was also marked with gradual stabilization of the economy as the Government rolled out measures to strengthen the local currency against major world currencies and manage the rising inflationary trends. However, the continued impact of Russia's invasion on Ukraine continued to be felt with no clear indications of any resolution soon, which was exacerbated by the Israeli-Hamas conflict from October 2023.

The Board and management continued to pursue a number of recovery strategies to boost productivity, contain costs and expand the revenue base. However, the inflation rate which averaged 7.5% impacted negatively on operational costs while the projected revenue targets were not realized due to stiff competition from other examinations bodies offering similar qualifications, among other factors. The Board reported an average performance, reporting a marginal surplus of Sh 248,176 in the financial year 2023/2024 compared to a surplus of Sh. 26,773,984 in the financial year 2022/2023 financial year.

Performance Outlook

During the financial year ended 30 June 2024, the Board reported a surplus of Sh 248,176. This was partly attributed to the rising operational costs fueled by external inflationary trends. There were also fixed commitments mainly relating to the administration of examinations which had to be met to ensure successful discharge of the core mandate of KASNEB. The projected growth in revenue was not fully realized as the uptake of KASNEB qualifications was affected by other qualifications from competing bodies, the reduced purchasing power among the citizenry which called for reorganization of their priorities, among other factors.

The reported marginal surplus is projected to be one-off noting that KASNEB has reported a consistent surplus since 2019. The Board has already put in place a number of austerity measures in line with Government policy guidelines to manage costs and shore up the revenue base and ensure return to a stronger surplus territory in the 2024/2025 financial year. Among the key austerity measures lined up include reorganization of examination centres and merger of others, a shift to paperless operations, increased automation to enhance operational efficiency, review of training needs, reduction in sponsorships and similar commitments and better management of recurrent expenditure.

REPORT BY THE SECRETARY/CHIEF EXECUTIVE OFFICER

During the financial year 2023/2024, the Board successfully administered three examination sittings, in August 2023, December 2023 and April 2024. This, coupled with new student registrations among other factors, contributed to a positive rise in revenue, with total income rising to Sh.863.05 million from Sh. 785.01 million in the previous financial 863.2 million during the financial year 2023/2024. Although the budgeted income targets were not met, austerity measures continued to be instituted in order to address income shortfalls and meet the capital and recurrent expenditure commitments from internally generated revenue and retained earnings without recourse to the Exchequer. Further, KASNEB's revenue base continued to be supplemented by other income sources including rent and investment income, which generated total revenue of Sh 171.1 million compared to Sh 153.3 million for the previous financial year.

During the period under review, KASNEB adhered to all the applicable provisions under the Public Finance Management Act, Public Procurement and Assets Disposal Act. No.33 of 2015, Treasury Circulars and related regulations issued by the Government

Implementation of the Revised Syllabuses and Administration of Examinations

KASNEB continued to discharge its examinations mandate successfully administering a total of fourteen (14) qualifications from vocational, certificate, diploma, professional and post-professional levels to over 65,600 candidates compared to 63,100 candidates in the previous financial year. KASNEB's presence across various counties has been significant, with 40 of the 47 counties featuring an examinations centre. Plans are underway to open additional centres in the 7 remaining counties, that is, Kwale, Tana River, Lamu, Marsabit, West Pokot, Homa Bay and Elgeyo Marakwet. It is envisaged that the diverse qualifications will continue to address the career progression needs of a cross-section of Kenyans, which should also result in an increase in new student registrations.

KASNEB also continued to expand its market base and recognition regionally. To this end, KASNEB successfully administered examinations for the CPA Burundi qualification under a transition programme, in both English and French. In addition, KASNEB continued to be represented in the Accountancy Learning and Development Committee of the Pan African Federation of Accountants (PAFA). Efforts are also ongoing to translate the current syllabuses and brochures into French as part of the efforts to gain a foothold in the Francophone countries in Africa, starting with the Democratic Republic of Congo (DRC) which was recently admitted into the East African Community.

Strategic Partnerships and Collaborations

During the financial year, KASNEB broadened its outreach and collaboration with partner institutions. One of the institutions was the Huduma Kenya, with whom KASNEB signed a Service Level Agreement to enhance service delivery through the Huduma Centres. In addition, KASNEB continued to engage with the Kenya Bureau of Standards (KEBS), leading to the successful launch of the Certified Quality Professionals (CQP) qualification and the development of the curriculum for the Diploma in Quality Management (DQM) qualification.

Further, KASNEB collaborated with The National Treasury and Economic Planning in the development of the Certified Public Finance Manager (CPFM) curriculum. Other strategic partners with whom KASNEB engaged were the Commission for University Education (CUE) with regard to credit transfer arrangements with universities, Postal Corporation of Kenya on dispatch of certificates to KASNEB graduates across the country, Housing Finance Group on investment of surplus funds in collection accounts, among others.

REPORT BY THE SECRETARY/CHIEF EXECUTIVE OFFICER

Operational achievements and improvements

Some of the key milestones realized by the Board during the financial year under review included:

- (a) Continued development and administration of quality examinations with integrity over three sittings and a timely marking process.
- (b) Cost savings through business process reviews and reengineering. These savings were realized in among other areas, printing and stationery, postage and telephone, examinations development and research and sundry expenses.
- (c) Continued certification of KASNEB under ISO 9001:2015 Quality Management System.
- (d) Operationalisation of the corporate research function and approval of related policies to facilitate consultancy, research, innovation and knowledge management.
- (e) Compliance with existing laws and regulations in procurement of goods and services.
- (f) Outsourcing of select internal audit functions.
- (g) Approval of various human resource mainstreaming policies.
- (h) Approval of the Finance Policy and Procedures Manual.
- (i) Successful marketing programmes undertaken in secondary schools and institutions of higher learning.
- (j) Completion of various projects including the borehole, electricity sub-metering and valuation of assets.
- (k) Digitalization of operations through investment in ICT software and hardware.
- (l) Recognition of five (5) centres of excellence.

Outlook for the Financial Year 2024/2025

The general outlook for the next financial year is positive. However, the current rationalized budget for the 2024/2025 financial year may affect achievement of certain targets due to decreased funding. Nevertheless, to increase productivity, streamline operations and respond to customers' everchanging needs, KASNEB intends to undertake and continue with the following initiatives, among others in the next financial year:

- (a) Innovative marketing campaigns to enhance new student registrations and candidature.
- (b) Implementation of flagship projects including:
 - (i) Digitalization of KASNEB operations.
 - (ii) Upgrading the Primary Data Centre to Tier II Data Center.
 - (iii) Operationalise the Customer Experience Centre.
 - (iv) Biometric registration and identification of students.
 - (v) Rolling out of Computer Based Examinations (CBE) for all qualifications.
 - (vi) Establishment of twenty (20) Centers of Excellence (CoEs).
 - (vii) Development and publishing of study packs for all qualifications.

REPORT BY
THE SECRETARY/CHIEF EXECUTIVE OFFICER

- (viii) Operationalisation of Corporate Research, Innovation and Consultancy function.
- (c) Completion of the Midterm review of examinations syllabuses.
- (d) Mid-term review of the Corporate Strategic Plan (2022-2027).
- (e) Roll out two (2) new qualifications namely; Certified Public Finance Manager (CPFM) and Diploma in Quality Management (DQM).
- (f) Data Protection and Cyber Security Management.
- (g) Cascade productivity main streaming to the functional areas.
- (h) Digitalising the re-engineered business processes
- (i) Finalise on the ERP Project.

I wish to sincerely thank the Board, Management, Members of Staff, Examiners, Invigilators, Accredited Training Institutions as well as all our esteemed stakeholders for their unwavering support and commitment in the achievements realised during the year. Additionally, the above achievements would not have been possible without the support of the National Treasury and Economic Planning, Ministry of Foreign and Diaspora Affairs, Interior and National Administration and Education. We are optimistic about the opportunities ahead and look forward to your continued support and cooperation in achieving our performance objectives in the next financial year.

Prof. Nicholas K. Letting', Ph.D, EBS, HSC
Secretary/Chief Executive Officer

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2023/2024

The implementation of the sixth Corporate Strategic Plan (2022-2027) anchored on the theme, "Renewal of Aspirations" came into effect on 1 July 2022 following the successful implementation of the fifth Corporate Strategic Plan (2017-2022) which expired on 30 June 2022. The sixth corporate strategic plan (CSP) has to-date been implemented for two (2) years. The annual review of the corporate strategic plan (CSP) was successfully undertaken during the financial year 2023/2024 to take cognisance of national priorities, MTP IV (2023-2027) and the dynamics in the business operating environment amongst other emerging issues. The addendum of the proposed changes in the plan to be read together with the CSP (2022-2027) was approved by the Board on 30 April 2024. The mid-term review of the CSP was slated in the financial year 2024/2025.

The sixth CSP (2022-2027) is aligned to the four perspectives of the Balanced Scorecard (BSC) model, namely:

- (i) Financial Perspective - Financial Sustainability
- (ii) Customer Perspective - Growth
- (iii) Internal Processes Perspective - Business Process Reengineering
- (iv) Learning and Growth Perspective - Staff Engagement and enhanced Productivity

The sixth CSP (2022-2027) identified eight (8) key flagship projects to be achieved during the five-year implementation period (1 July 2022 - 30 June 2027), namely:

- (i) Digitilisation of KASNEB operations
- (ii) Upgrading of the Primary Data Centre to Tier II data Centre
- (iii) Operationalisation of Customer Experience Centre
- (iv) Biometric registration and identification of students
- (v) Rolling out of Computer Based Examinations (CBE) for all qualifications
- (vi) Establishment of twenty (20) Centers of Excellence (CoEs)
- (vii) Development and publishing of Study Packs for all qualifications
- (viii) Operationalisation of the Research, Innovation and Consultancy function

The CSP (2022-2027) was implemented through annual work plans which were monitored quarterly through progress reports to ensure that the implementation of the planned CSP activities was on track. The reports were thereafter presented to the Senior Management, Planning and Business Development Committee (a committee of the Board with oversight responsibilities on the implementation of the strategic plan) and the Board.

The trend analysis on the implementation of CSP activities is depicted in **Figure 1** below. The figure depicts the comparative analysis of the annual implementation of the fifth CSP (2017-2022) activities from the financial year 2017/2018 to the financial year 2023/2024.

The CSP implementation status during the financial year 2023/2024 was 97% based on fully and partially completed/ongoing activities, indicating an increment of 6.2% from the financial year 2022/2023. The improvement in performance was attributed to the smooth implementation of planned CSP activities due to

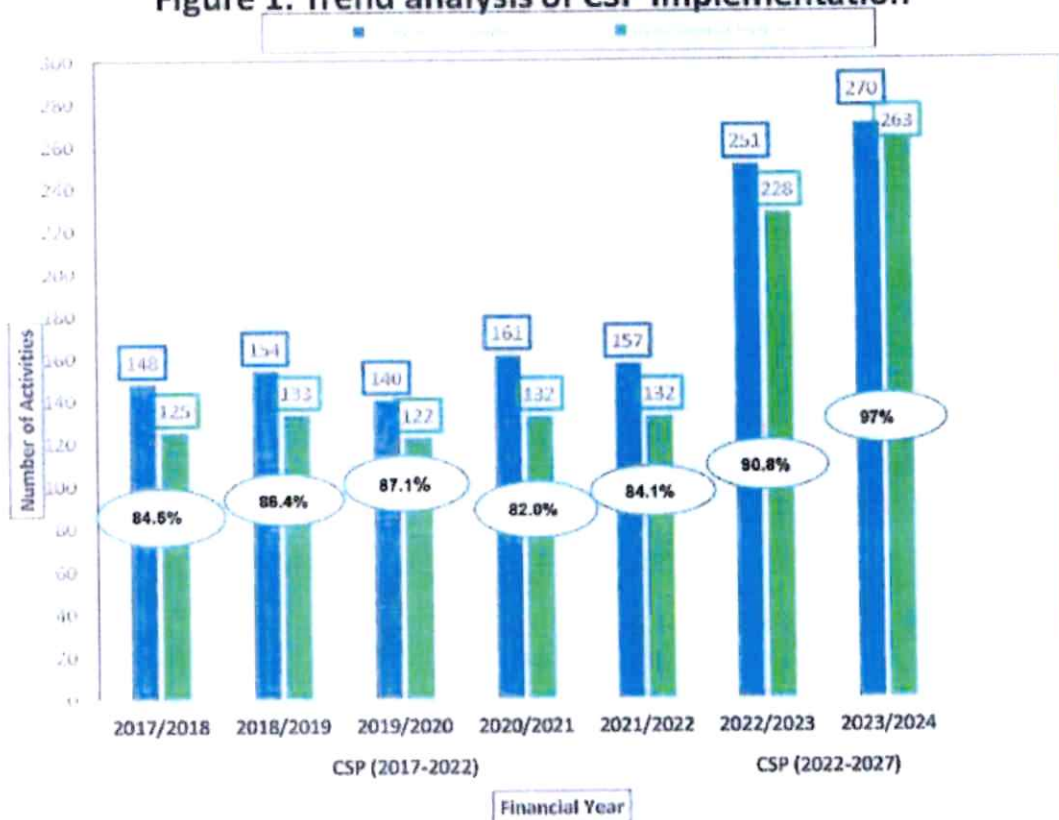
STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2023/2024

time commitment, budgeting and spending, partnerships and niche focus among other things. Besides, the achievement of 97% was more than the envisaged annual target of 89% as at 30 June 2024.

It is worth noting that the CSP implementation registered the lowest achievement of 82.0% during the financial year 2020/2021 due to the COVID-19 pandemic which adversely affected the implementation of planned activities.

On the other hand, the implementation of CSP activities has been realising positive milestones and an upward trend over the last four (4) years ranging from 82% to 97%.

Figure 1: Trend analysis of CSP Implementation



The performance review of four (4) strategic perspectives based on activity implementation during the financial year 2023/2024 is depicted in Figure 2 below.

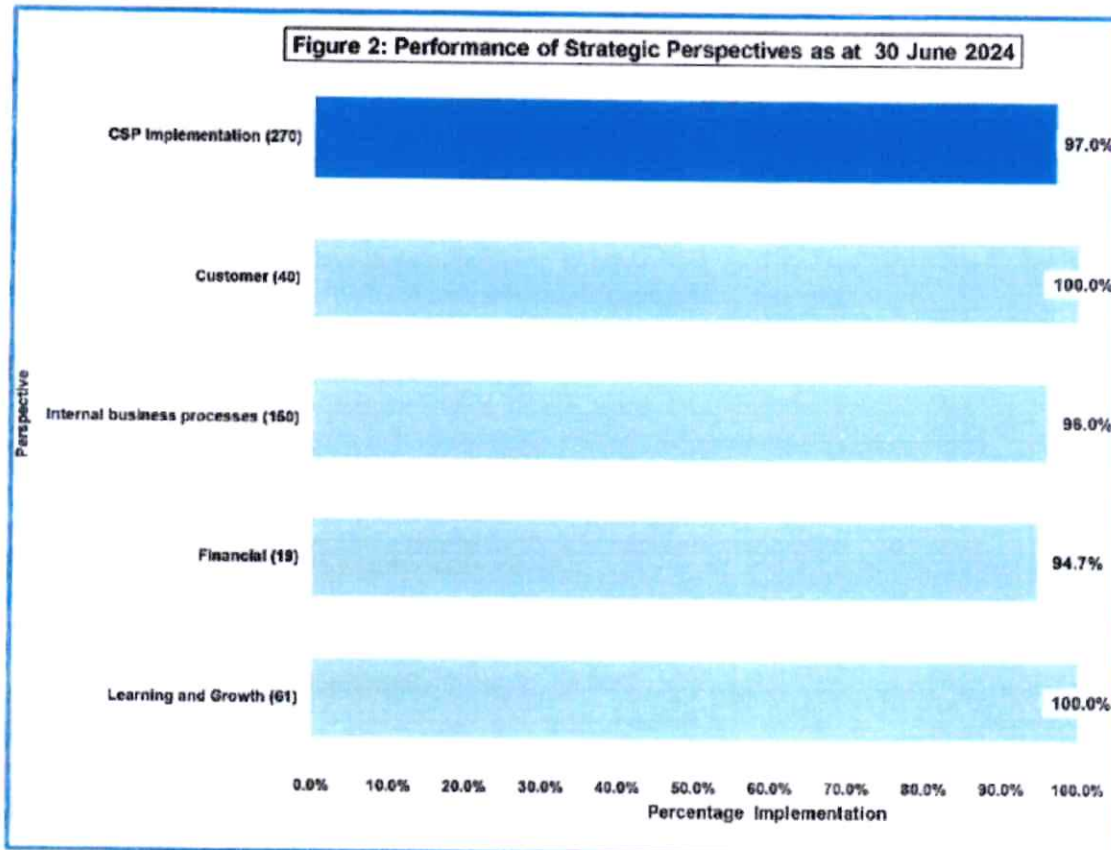
There were a total of two hundred and seventy (270) activities planned for the financial year 2023/2024.

The planned activities during the financial year for customer perspective, financial perspective, internal business processes perspective and learning and growth perspective were 40, 19, 150 and 61 respectively.

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2023/2024

Majority of the activities during the financial year 2023/2024 were in internal business processes perspective. It is worth noting that most of the activities under customer perspective and learning and growth perspectives had either gained some milestones or they were complete and therefore there were no activities that had not commenced in both perspectives. On the other hand, 5.3% of activities in financial perspective and 4.0% activities in internal business processes perspective had not yet commenced.

Generally, majority of the planned activities across all perspectives were partially implemented.



The Performance Contract (2023/2024) was aligned to the targets in the sixth Corporate Strategic Plan (2022-2027). The performance evaluation for the Performance Contract for the financial year 2022/2023 was undertaken on 11 September 2023. Following the performance evaluation, a score of 3.0432 (Good category) was awarded.

There was a deviation from lower limit of 0.1886 prior to previous year's score of 2.8546 (Very Good category).

Major Achievements

The major achievements realised during the financial year 2023/2024 are tabulated hereunder:

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2023/2024

Perspective	Major achievements
Customer	<ul style="list-style-type: none"> • Three (3) examination sittings were successfully administered during the reporting period: <ul style="list-style-type: none"> ◆ The August 2023 examinations were successfully administered from Monday, 21 August to Thursday, 24 August 2023 in 107 examination centres both in Kenya and outside Kenya to 21,610 candidates. ◆ The December 2023 examinations were successfully administered from Monday, 4 December 2023 to Friday, 8 December 2023 in 107 examination centres both in Kenya and outside Kenya to 22,074 candidates. ◆ The April 2024 examinations were administered between Monday, 22 April 2024 to Friday, 26 April 2024 to approximately twenty-two thousand (22,000) candidates. ◆ The examinations for the three sittings namely; August 2023, December 2023 and April 2024 were successfully marked and the results released within eighteen (18) working days from the last date of examinations. ◆ Automation of key marking processes were undertaken in December 2023 and May 2024 examinations to facilitate digital capturing of marks. ◆ Thirteen thousand three hundred and thirty four (13,334) new students were registered during the financial year against a backdrop of slow economic growth. ◆ Vocational Examinations, CAMS, DDMA, DCNSA, ATD I, ATD II, ATD III, CISSE and CFFE were delivered on a CBE platform. ◆ Conduct of CBE examinations in August 2023, December 2023 and April 2024 examinations was successfully undertaken in partnership with UNES. ◆ KASNEB entered into partnerships with all the National Polytechnics for hosting of Computer Based Examinations among other Technical Training Institutions. ◆ The second series of examination in French for OPC Burundi were administered in April 2024. ◆ The launch of the Certified Quality Professionals (CQP) examination syllabus was conducted on Tuesday, 8 August at the Nairobi Serena Hotel. Thereafter, the Chief Examiner for the examination was recruited through a competitive process. Examiners and setters of various papers were also recruited. ◆ The first examinations and second series of CQP foundation level were successfully administered during the December 2023 and April 2024 examination sittings. ◆ Institutions namely; The Meru National Polytechnic, The Eldoret National Polytechnic, The Sigalagala National Polytechnic, The Kisumu National Polytechnic and Kenya Coast National Polytechnic were approved by the Examinations Committee as KASNEB centres of excellence in a meeting held on 7 May 2024. ◆ KASNEB services were uploaded on the e-Citizen portal on 18 September 2023. These include; registration, exemption, examination booking, renewals, students result and timetables and deferment requests.



STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2023/2024

	<ul style="list-style-type: none"> ◆ KASNEB made payment and completed the relevant documents for inclusion in the KUCCPS website. MoU between KASNEB and KUCCPS was signed as appropriate. KASNEB was listed in the KUCCPS website. ◆ Procurement of Power-over-Ethernet (PoE) switches was awarded to Telkom and were delivered. Installation was undertaken and the new telephony system was in use.
Financial	<ul style="list-style-type: none"> ◆ KASNEB was operating within the approved budget for the financial year 2023/2024. An income of Sh.863,056,260 was generated while an expenditure of Sh.862,797,942 was incurred during the reporting period. ◆ The Occupancy rate for KASNEB Towers II was 94.44% during the reporting period. The rental income of Sh.91,556,965 was realized during the reporting period against the target of Sh.80,000,000.
Internal business processes	<ul style="list-style-type: none"> ◆ The annual review of the Corporate Strategic Plan (2022-2027) was successfully undertaken in response to the dynamics in the business operating environment. The addendum on annual review of the 6th Corporate Strategic Plan (2022-2027) was approved on 30 April 2024, and it will be read together with the current CSP (2022-2027). ◆ Management Committee for Business Process-Engineering and Digitalization was appointed in April 2024. ◆ Two (2) processes were re-engineered for digitalisation namely; <ul style="list-style-type: none"> • Registration to certification • Accreditation of training institutions ◆ ISO/IEC 27001:2022 implementation plan for the financial year 2023/2024 was prepared. ◆ The first surveillance audit was undertaken by KEBS on 25 July 2023. ◆ The first internal quality audit for the financial year 2023/2024 was undertaken from Tuesday, 19 March 2024 to Monday, 25 March 2024. ◆ The syllabus for the CPFM examination was developed and the Examinations Technical Sub-Committee (ETSC) approved syllabus for roll out. ◆ The Diploma in Quality Management (DQM) curriculum developed in collaboration with KEBS was approved by the KASNEB Board and TVETA. Thereafter, the DQM was duly registered by KNQA. ◆ The MOU/Contract with Strathmore Research and Consultancy Centre (SRCC) which was signed to develop and publish study packs for KASNEB qualifications was in progress. Seventeen (17) study packs and revision kits were received from SRCC.

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2023/2024

	<ul style="list-style-type: none"> ◆ The Research Policy, Institutional Scientific and Ethical Review Policy, Innovation Policy, Research Strategy and Innovation Strategy were presented for validation to the Senior Management during the validation workshop held on 3-4 April 2024. ◆ The Policies were presented to Planning and Business Development Committee for adoption on 19 April 2024. ◆ The Policies were presented to the Board and they were approved on 30 April 2024. ◆ The Performance Contract for the financial year 2023/2024 was negotiated, vetted and duly signed by the Chairman/Independent Board member and countersigned by the Cabinet Secretary National Treasury and Economic Planning. ◆ The quarterly reports on the implementation of PC 2023/2024 were prepared, submitted to relevant authorities and uploaded to Government Performance Contracting Information System (GPCIS). ◆ The evaluation of PC 2022/2023 was undertaken on 11 September 2023 whereby PC evaluation score was 3.0432 (good). ◆ KASNEB complied with the implementation of 30% allocation of AGPO and 40% procurement for local content: ◆ Tenders amounting to Sh.66,237,676.10 were awarded to the special groups (Youth, Women and Persons with Disabilities) against a target of Sh. 37,000,000 with a positive variance of Sh.29,237,676.10 during the period under review. ◆ Procurement of goods, works and services amounting to Sh.168,663,614.09 were procured 100% from local suppliers, against a target of Sh.49,160,000.00 with a positive variance of Sh.119,503,614.09.
<p>Learning and Growth</p>	<ul style="list-style-type: none"> • Implementation of revised Human Resource Instruments <ul style="list-style-type: none"> ◆ Engagement of four (4) new officers within the Examinations Directorate following a successful interview process under Career Opportunities Phase III was undertaken. ◆ Recruitment process for two positions under Career Opportunities Phase IV finalised: Senior Security Assistant Grade KASNEB 7 and Senior Driver Grade KASNEB 8. The two (2) Senior Security Assistants reported for duty as at 1 March 2024. ◆ Capacity building and development programmes for Board members and members of staff were undertaken through training and participation in conferences. ◆ Development of productivity metrics in consultation with the National Productivity and Competitive Centre.

Looking into the Future

KASNEB will continue to implement eight (8) flagship projects as well as other activities outlined in the sixth CSP (2022-2027) to realise its vision, mission and mandate for which it was established. Besides, KASNEB shall continue to undertake environmental business scanning to address emerging issues in the operating environment in order to remain competitive and offer superior services to its customers.

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for the overall management of KASNEB. The members of the Board are committed to achieving the highest standards of good governance. In this regard, the members of the Board and management have committed to work honestly and diligently and have put in place appropriate policies and strategies to ensure compliance with the law and the highest standards of best practice in good governance and business ethics.

The members of the Board operate in accordance with the broad principles set out in the Accountants Act No.15 of 2008, the Certified Public Secretaries of Kenya Act, Cap 534 of 1988 and the Investment and Financial Analysts Act, No. 13 of 2015.

The Board is committed to the principles of good governance as stipulated in Mwongozo: The Code of Governance for State Corporations. The members of the Board are provided with appropriate and timely information to enable them discharge their responsibilities and maintain full and effective control over strategic, financial, operational and compliance issues

COMPOSITION OF THE BOARD

The Board comprises eleven non-executive members who are appointed by the Cabinet Secretary for the National Treasury and Economic Planning and hold office for a term of three years; including the Chairman, Vice-Chairman and nine other members.

The Secretary/Chief Executive Officer is an ex-officio member of the Board. The Board meets at least four times a year, with additional meetings being held on need basis. The Board has delegated authority for the day-to-day operations to the Chief Executive Officer who is also the Secretary to the Board.

BOARD CHARTER

Upon appointment, members of the Board are provided with a Board Charter which is a critical document detailing good governance practices and principles that the Board should adhere to in executing their mandate. The charter outlines among others:

- (a) Board statement of good governance.
- (b) Board composition and the roles of the Chairman, members, Chief Executive Officer and the Secretary.
- (c) Conduct of meetings.
- (d) Conflict of interest.
- (e) Principles of public service as provided in the Constitution of Kenya.

ROLE OF THE BOARD

The Board provides strategic leadership, enterprise, integrity and judgement in directing KASNEB so as to achieve continuing prosperity and acts in a manner based on transparency, accountability and responsibility. In this respect, the Board is responsible for:

- (a) Ensuring that KASNEB meets its mandate as established by the law.
- (b) Formulating, monitoring and evaluating strategies, policies, management performance criteria and business plans for the good management of KASNEB.
- (c) Ensuring that KASNEB will survive, thrive and continue as a going concern by regularly reviewing policies, systems and procedures to ensure effectiveness of the internal systems of control so that

CORPORATE GOVERNANCE STATEMENT

the decision making capability and the accuracy of the reporting and financial results are maintained at a high level at all times.

- (d) Ensuring the welfare of staff and security of the assets and resources of the organisation.
- (e) Providing guidance to the Secretary and Chief Executive Officer.
- (f) Regularly assessing performance and effectiveness of the Board and that of the individual members including the Secretary and Chief Executive Officer.

BOARD MEETINGS

The Board meets quarterly in accordance with the almanac approved by the Board. The Board also holds special meetings on need basis to conduct business as appropriate. The agenda and Board papers are circulated to members in advance. The members of the Board also attend to workshops as it may deem necessary in executing its mandate.

Attendance

During the financial year the Board held twelve (12) meetings. The extra special meetings were necessitated by the approved recruitment for members of staff in critical Board positions and the unique examination matters that arose in the course of the Financial year. The attendance of Board members during the financial year was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	Dr. Nancy N. Muriuki	12	12
2	Dr. Joseph M. Kanyi	12	8
3	Yussuf Ibrahim*	12	6
4	CPA Jane W. Njogu- Macharia*	12	6
5	FCS Diana Sawe Tanui**	12	4
6	Dorcas A. Nyalwidhe***	12	4
7	Lilian Abishai*	12	6
8	Nkirete Mworio**	12	5
9	FCPA George M. Obiria	12	8
10	Prof. Elizabeth N. Kalunda-Muvui *	12	11
11	Eng. Stephen Ogenga	12	7
12	Dr. Percy Opio	12	11

- * Appointed effective **1 November 2023**
- ** Term expired effective **19 November 2023**
- *** Term expired effective **31 October 2023**

COMMITTEES OF THE BOARD

The committees of the Board meet at least four times in a year. The main responsibilities of the committees and meetings attended were as follows:

CORPORATE GOVERNANCE STATEMENT

Examinations Committee

Attendance

During the financial year the Committee held six (6) meetings. The attendance of members was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	Dr. Joseph M. Kanyi	6	6
2.	Dr. Nancy N. Muriuki	6	6
3	Yussuf Ibrahim*	6	4
4	Lilian Abishai*	6	4
5	CPA Jane W. Njogu- Macharia	6	5
6	Dorcas A. Nyalwidhe***	6	2
7	FCS Diana Sawe Tanui**	6	2
8	Nkirote Mworira Njiru**	6	2
9	F CPA George M. Obiria	6	5
10	Prof. Elizabeth N. Kalunda-Muvui *	6	5
11	Eng. Stephen Ogenga	6	6
12	Dr. Percy Opio	6	6
13	Dr. Jonah K. Aiyabei	6	5
14	Dr. Geoffrey I. Injeni	6	6
15	Mary Reba Chabeda	6	6
16	Pius Kyambi	6	6
17	Prof. Ismail A. Lukandu	6	6
18	Prof. Donald O. Otiemo	6	2

- * Appointed effective 1 November 2023
- ** Term expired effective 19 November 2023
- *** Term expired effective 31 October 2023

Examinations Technical Sub-Committee

The Examinations Technical Sub-Committee is a permanent Sub-Committee of the Examinations Committee. Its principal responsibility is dealing with technical issues on examination matters including syllabuses, accreditation of training institutions research and innovation as delegated by the Examinations Committee from time to time.

CORPORATE GOVERNANCE STATEMENT

Attendance

During the financial year the Sub-Committee held four (4) meetings whose attendance was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	Dr. Percy Opio	4	2
2	Eng. Stephen Ogenga	4	2
3	Prof. Elizabeth N. Kalunda-Muvui *	4	4
4	Dr. Joseph M. Kanyi	4	1
5	Yussuf M. Ibrahim	4	3
6	Lilian Abishai*	4	0
7	Dr. Geoffrey I. Injeni	4	4
8	Prof. Ismail A. Lukandu	4	4
9	Mary Reba Chabeda-Ouko	4	3
10	Dr. Jonah K. Aiyabei	4	4
11	Pius M. Kyambi	4	4
12	Samuel Omondi Obudho	4	2
13	Dr. Gillian Mwaniki	4	1
14	Benson K. Murgor	4	2
15	Wilfred Owalla	4	4
16	Sylvia Akoto	4	0
17	Prof. Solomon T. Ngahu	4	4
18	Prof. Donald O. Otieno	4	2
19	Dorcas A. Nyalwidhe***	4	0
20	FCS Diana Sawe Tanui**	4	1
21	Nkirete Mworio Njiru**	4	0

- * Appointed effective **1 November 2023**
 ** Term expired effective **19 November 2023**
 *** Term expired effective **31 October 2023**

Finance and General Purposes Committee

The principal responsibilities of the Committee are:

- Developing and overseeing the implementation of the finance strategy, human capital strategy and information communication technology strategy.
- Approval of the annual procurement plan and annual budget.
- Ensuring prudent financial management.

CORPORATE GOVERNANCE STATEMENT

Attendance

During the financial year the Committee held five (5) meetings whose attendance was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	Prof. Elizabeth N. Kalunda-Muvui *	4	4
2	Dr. Joseph M. Kanyi	4	2
3	CPA Jane W. Njogu-Macharia	4	4
4	Yussuf M. Ibrahim*	4	2
5	Eng. Stephen Ogenga	4	4
6	Dorcas A. Nyalwidhe***	4	0
7	FCS Diana Sawe Tanui**	4	1
8	Nkirote Mworja Njiru**	4	0

* Appointed effective 1 November 2023

** Term expired effective 19 November 2023

*** Term expired effective 31 October 2023

Planning and Business Development Committee

The principal responsibilities of the Committee are:

- Spearheading the development of the corporate strategic plan.
- Monitoring and implementation of the strategic and operational plans.
- Coordinating the performance contracting process.
- Formulating the marketing strategy, business development policy and corporate communication policy and risk management.

Attendance

During the financial year the Committee held four (4) meetings whose attendance was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	CPA Jane W. Njogu-Macharia	4	3
2	Dr. Percy Opio	4	4
3	Lilian Abishai*	3	1
4	FCPA George M. Obiria	4	4
5	Prof. Elizabeth N. Kalunda-Muvui *	4	4
6	Nkirote Mworja Njiru**	4	1
7	Dorcas A. Nyalwidhe***	4	2

* Appointed effective 1 November 2023

** Term expired effective 19 November 2023

*** Term expired effective 31 October 2023

CORPORATE GOVERNANCE STATEMENT

Audit and Risk Committee

The principal responsibilities of the Committee are:

- (a) To provide assurance to the Board and management on the adequacy of procedures relating to risk management, control and governance.
- (b) Reviewing and approving the audit charter and internal audit and annual work plans.
- (c) Reviewing the internal and external audit findings and recommendations and proposing preventive and corrective action as appropriate.
- (d) Reviewing the systems established to ensure sound public financial management and internal control.

Director, Audit and Risk Assurance is an ex-officio member and Secretary to the Committee.

Attendance

During the financial year the Committee held four (4) meetings whose attendance was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	FCCA George M. Obiria	4	4
2	CPA Jane W. Njogu-Macharia	4	3
3	Lilian Abishai*	4	1
4	Dr. Percy Opio	4	4
5	FCS Nkirote Mworira Njiru**	4	2
6	Dorcas A. Nyalwidhe***	4	1

* Appointed effective **1 November 2023**

** Term expired effective **19 November 2023**

*** Term expired effective **31 October 2023**

CORPORATE GOVERNANCE STATEMENT

KASNEB Staff Retirement Benefits and Life Assurance Scheme Committee

Attendance

During the financial year the Trust held nine (9) meetings whose attendance was as follows

No.	Name	Meetings	
		Eligible	Attended
1	FCPA George M. Obiria	9	8
2	Lilian Abishai*	9	4
3	Yussuf M. Ibrahim*	9	4
4	Prof. Nicholas K. Letting'	9	9
5	CS Catherine W. Maringa	9	9
6	Felistas M. Kyuli	9	7
7	CPA Joseph N. Ndung'u	9	8
8	CPA Raymond O. Ochieng****	9	7
9	CPA Michael Muthigani*****	9	2
10	Nkirote Mworira Njiru**	9	2
11	Dorcas A. Nyalwidhe***	9	2

- * Appointed effective 1 November 2023
- ** Term expired effective 12 May 2024
- *** Appointed effective 31 October 2023
- **** Term expired 27 August 2023
- ***** Term expired 19 November 2023

KASNEB Foundation

Attendance

During the financial year the Trust held five (5) meetings whose attendance was as follows

No.	Name	Meetings	
		Eligible	Attended
1	Dr. Percy Opio	5	5
2	Dr. Nancy N. Muriuki	5	5
3	FCPA Julius W. Mwatu*	2	2
4	FCPA Charles M. Ringera	5	5
5	Prof. Nicholas K. Letting'	5	5
6	FCS Diana S. Tanui **	2	2
7	CPA Sailot Keke	5	5

- * Appointed effective 31 October 2023
- ** Term expired effective 19 November 2023

CORPORATE GOVERNANCE STATEMENT

Digitalisation Steering Ad Hoc Committee

Attendance

During the financial year the Ad-hoc committee held three (3) meetings whose attendance was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	Eng. Stephen Ogenga	3	3
2	Dr. Percy Opio	3	3
3	Dr. Joseph M. Kanyi	3	0
4	F CPA George M. Obiria	3	2
5	Prof. Nicholas K. Letting'	3	3

Administration and Communication Committee KASNEB Staff Retirement Benefits and Life Assurance Scheme

Attendance

During the financial year the Committee held three (3) meetings whose attendance was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	Lilian Abishai*	3	1
2	Yussuf M. Ibrahim	3	1
3	Prof. Nicholas Letting'	3	1
4	FCS Catherine Maringa	3	3
5	Felistas Kyuli	3	2
6	CPA Joseph Ndung'u	3	0
7	CPA Raymond Ochieng'	3	2

CORPORATE GOVERNANCE STATEMENT

Finance and Investment Committee KASNEB Staff Retirement Benefits And Life Assurance Scheme

Attendance

During the financial year the Committee held three (3) meetings whose attendance was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	Prof. Nicholas Letting'	3	3
2	FCS Catherine Maringa	3	0
3	Felistas Kyuli	3	1
4	CPA Joseph Ndung'u	3	3
5	CPA Raymond Ochieng'	3	0

Audit and Risk Committee KASNEB Staff Retirement Benefits And Life Assurance Scheme

Attendance

During the financial year the Committee held one (1) meeting whose attendance was as follows:

No.	Name	Meetings	
		Eligible	Attended
1	FCPA George Obiria	1	1
2	Felistas Kyuli	1	1
3	CPA Sailot A. Keke	1	1

MANAGEMENT DISCUSSION AND ANALYSIS

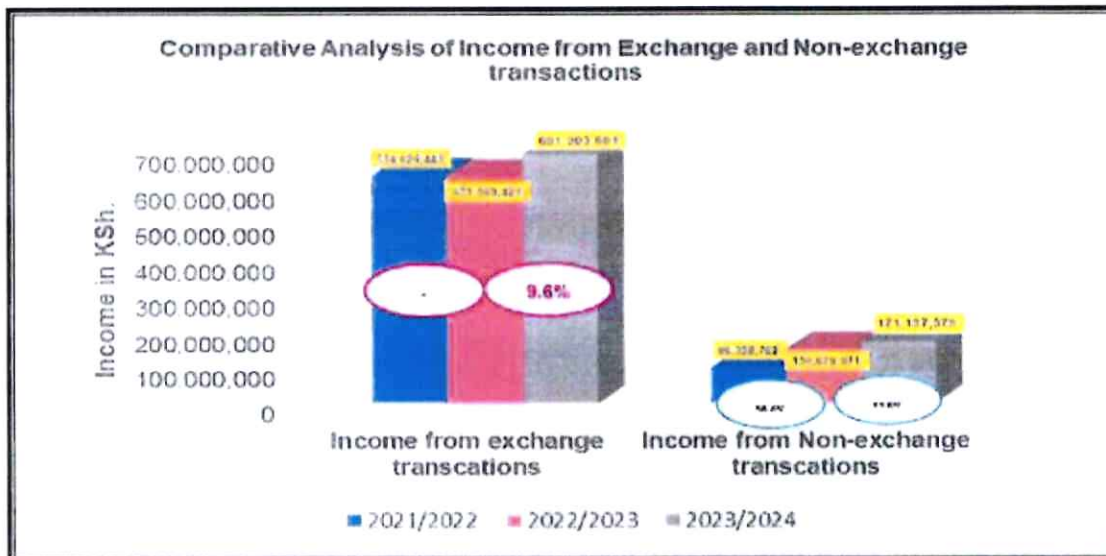
SECTION A

Operational and Financial Performance

During the Financial Year 2023/2024, a total income of KSh. 863,056,260 was generated while the aggregate income for the Financial Year 2022/2023 from exchange and non-exchange transactions was KSh. 785,019,962. This translates to 10% income growth. Although the aggregate income grew during the Financial Year, a marginal surplus of KSh.248,176 was recorded compared to a surplus of KSh.26,773,985 in the Financial Year 2022/2023. This was mainly occasioned by the increase in the total expenditure from KSh.758,245,977 in the Financial Year 2022/2023 to KSh.862,797,942 in the Financial Year 2023/2024 translating to 13.8% increase.

Figure 1 shows a comparative analysis of income from exchange and non-exchange transactions:

Figure 1 :Comparative Analysis of Income from Exchange and Non-exchange transactions



Note:

1. **Income from Exchange transactions** refers to income generated from examination booking, new student registration, annual registration renewal, exemptions and sale of publications.
2. **Income from Non-Exchange transactions** refers to income generated from interest from treasury bills and bonds, rental income and miscellaneous income

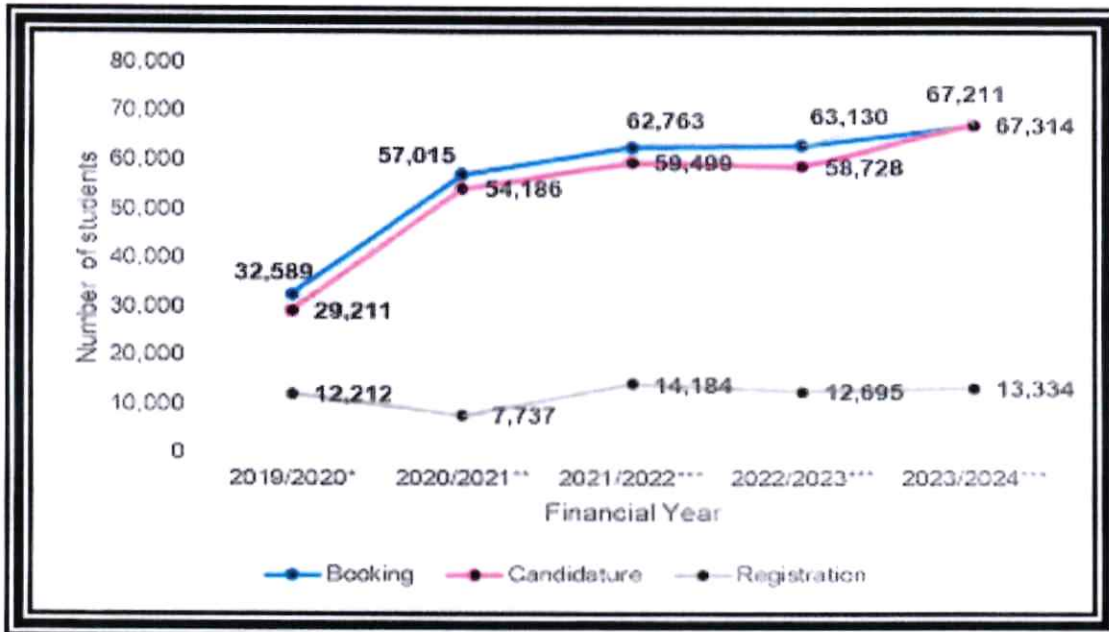
Figure 1 depicts an increase in income from both exchange and non-exchange transactions. The income from exchange transactions increased from KSh.631,630,906 in the Financial Year 2022/2023 to KSh.691,918,681 in the Financial Year 2023/2024 translating to a 9.5% increase.

MANAGEMENT DISCUSSION AND ANALYSIS

Equally, income from non-exchange transactions grew from KSh.153,389,057 in the Financial Year 2022/2023 to KSh. 171,137,579 in the Financial Year 2023/2024 translating to 11.6% growth. Furthermore, a comparison of the non-exchange income for the Financial Year 2023/2024 and 2021/2022 indicates a substantial growth of 77.6% from KSh.96,338,782 in the Financial Year 2021/2022 to KSh.171,137,579. The main driver of the increase in non-exchange transactions was interests earned by 29.3% (increase from KSh.43,219,404 to KSh.55,879,037) and rental income by 14.9% (increase from KSh.79,696,006 to 91,556,965). However, miscellaneous income declined by 14.6% (decline from KSh.27,764,561 to KSh.23,701,577).

On the other hand, the main driver of the increase in exchange transactions income was examination booking by 13% (increase from KSh.419,666,521 to KSh.474,366,355) followed by exemptions by 7.1% (increase from KSh.72,197,737 to KSh.77,299,646) and new student registration by 5.6% (increase from KSh.92,303,891 to KSh.97,444,774). However, the annual registration renewal reduced by 9.7% (decrease from KSh.47,397,272 to KSh.42,807,906). A comparative analysis of five-year trends for new student registration, candidature and bookings is shown in Figure 2 below:

Figure 2: Five-year Trend Analysis on Candidature, Student Registration and Booking



Note:

- (1) *Booking and Candidature for the Financial Year 2019/2020 was for one examination sitting in November 2019.
- (2) **Booking and Candidature for the Financial Year 2020/2021 was for two examination sittings in November 2020 and May 2020.
- (3) ***Booking and Candidature for the Financial Year 2021/2022, 2022/2023, 2023/2024 was for three examination sittings in August, December and April.

MANAGEMENT DISCUSSION AND ANALYSIS

Figure 2 shows that examination booking and candidature has been rising over the past five years with a slight decline in the Financial Year 2022/2023. On the other hand, student registration fluctuated over the same period. The most significant increase during the Financial Year was candidature by 14.6% in comparison to the Financial Year 2022/2023. Examination booking and student registration increased by 6.5% and 5% respectively.

The following are some of the global and national factors that contributed to the financial performance of KASNEB during the Financial Year 2023/2024:

- a) Kenya's economic growth rate improved from 4.9% in the year 2022 to 5.6% in the Year 2023. During the first quarter of the year 2024 an economic growth rate of 5% was recorded. The growth rate was tied to the improved income.
- b) On the other hand, inflation rate was high. An inflation rate of 7.7% was recorded for the year 2023. The inflation rate eased slightly to 6.29% in the first quarter of the year 2024. The high inflation rate was linked to the high operation expenditure.
- c) In particular, some of the reasons attributed to the high operation expenditure include:
 - (i) Continued conflict between Russia and Ukraine and the Israel-Hamas conflict that led to among other things high fuel prices leading to general high prices of goods required in KASNEB operations.
 - (ii) Adverse impact of climate change that led to refocussing of government expenditure towards mitigation and adaptation.
 - (iii) Pre-contracted commitments including on surveys and consultants.
 - (v) Additional recruitment made to address staffing gaps.

At the institutional level, KASNEB sustained the implementation of the following strategies among others to improve financial performance, in both medium and long-term:

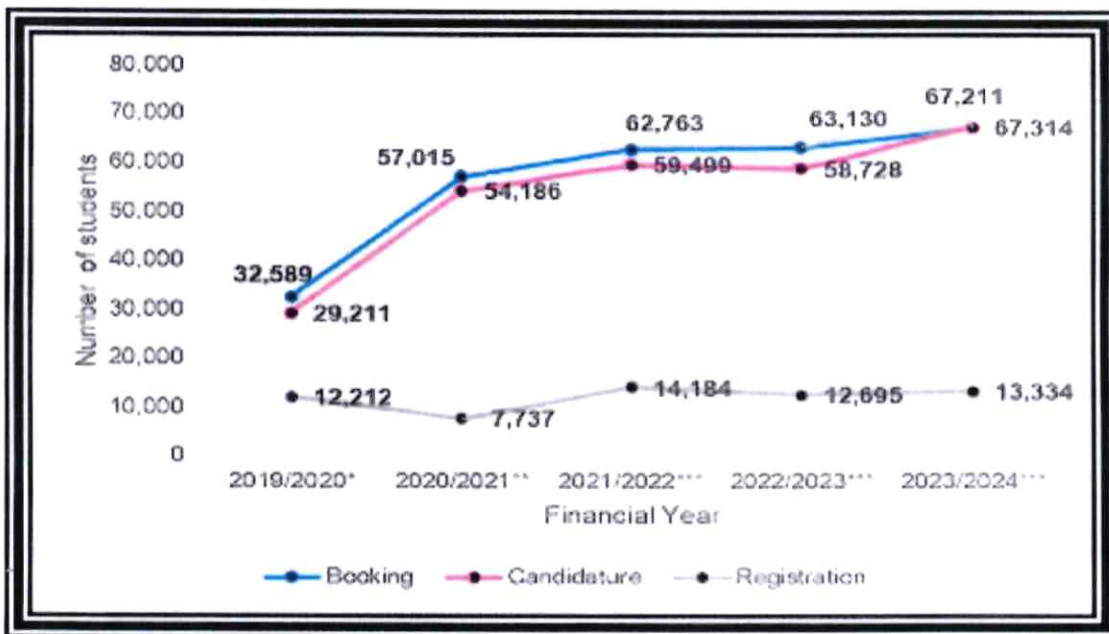
- (a) Partnering with universities towards alignment of syllabuses which will facilitate cross-transfers of exemptions and credits. This is expected to increase uptake of KASNEB qualifications by university graduates.
- (b) Launching of a new qualification Certified Quality Professional (CQP) in August 2023 leading to increased student registration and candidature.
- (c) Increase in the number of candidates taking Computer-Based Examination (CBE) which is undertaken through a partnership with the University of Nairobi Enterprises and Services Ltd (UNES). Computer-Based Examinations were administered in the Certificate in Accounting and Management Skills (CAMS); Accounting Technician Diploma (ATD); Certified Forensic Fraud Examiner (CFFE) and Business Data Analytics Paper for Certified Public Accountants among other examinations.
- (d) Revision of examination policies to address stakeholder needs and requirements.
- (e) Continued administration of three examination sittings per year to reduce the time lag in completion of KASNEB qualifications. This provided more examination sitting opportunities for candidates in the course of the year.
- (f) Continued disbursement of loans and bursaries to deserving students aspiring to pursue/pursuing KASNEB qualifications through the KASNEB Foundation. This impacted positively on student registration and candidature.

MANAGEMENT DISCUSSION AND ANALYSIS

Equally, income from non-exchange transactions grew from KSh.153,389,057 in the Financial Year 2022/2023 to KSh. 171,137,579 in the Financial Year 2023/2024 translating to 11.6% growth. Furthermore, a comparison of the non-exchange income for the Financial Year 2023/2024 and 2021/2022 indicates a substantial growth of 77.6% from KSh.96,338,782 in the Financial Year 2021/2022 to KSh.171,137,579. The main driver of the increase in non-exchange transactions was interests earned by 29.3% (increase from KSh.43,219,404 to KSh.55,879,037) and rental income by 14.9% (increase from KSh.79,696,006 to 91,556,965). However, miscellaneous income declined by 14.6% (decline from KSh.27,764,561 to KSh.23,701,577).

On the other hand, the main driver of the increase in exchange transactions income was examination booking by 13% (increase from KSh.419,666,521 to KSh.474,366,355) followed by exemptions by 7.1% (increase from KSh.72,197,737 to KSh.77,299,646) and new student registration by 5.6% (increase from KSh.92,303,891 to KSh.97,444,774). However, the annual registration renewal reduced by 9.7% (decrease from KSh.47,397,272 to KSh.42,807,906). A comparative analysis of five-year trends for new student registration, candidature and bookings is shown in Figure 2 below:

Figure 2: Five-year Trend Analysis on Candidature, Student Registration and Booking



Note:

- (1) *Booking and Candidature for the Financial Year 2019/2020 was for one examination sitting in November 2019.
- (2) **Booking and Candidature for the Financial Year 2020/2021 was for two examination sittings in November 2020 and May 2020.
- (3) ***Booking and Candidature for the Financial Year 2021/2022, 2022/2023, 2023/2024 was for three examination sittings in August, December and April.

MANAGEMENT DISCUSSION AND ANALYSIS

Figure 2 shows that examination booking and candidature has been rising over the past five years with a slight decline in the Financial Year 2022/2023. On the other hand, student registration fluctuated over the same period. The most significant increase during the Financial Year was candidature by 14.6% in comparison to the Financial Year 2022/2023. Examination booking and student registration increased by 6.5% and 5% respectively.

The following are some of the global and national factors that contributed to the financial performance of KASNEB during the Financial Year 2023/2024:

- a) Kenya's economic growth rate improved from 4.9% in the year 2022 to 5.6% in the Year 2023. During the first quarter of the year 2024 an economic growth rate of 5% was recorded. The growth rate was tied to the improved income.
- b) On the other hand, inflation rate was high. An inflation rate of 7.7% was recorded for the year 2023. The inflation rate eased slightly to 6.29% in the first quarter of the year 2024. The high inflation rate was linked to the high operation expenditure.
- c) In particular, some of the reasons attributed to the high operation expenditure include:
 - (i) Continued conflict between Russia and Ukraine and the Israel-Hamas conflict that led to among other things high fuel prices leading to general high prices of goods required in KASNEB operations.
 - (ii) Adverse impact of climate change that led to refocussing of government expenditure towards mitigation and adaptation.
 - (iii) Pre-contracted commitments including on surveys and consultatnts.
 - (v) Additional recruitment made to adress staffing gaps.

At the institutional level, KASNEB sustained the implementation of the following strategies among others to improve financial performance, in both medium and long-term:

- (a) Partnering with universities towards alignment of syllabuses which will facilitate cross-transfers of exemptions and credits. This is expected to increase uptake of KASNEB qualifications by university graduates.
- (b) Launching of a new qualification Certified Quality Professional (CQP) in August 2023 leading to increased student registration and candidature.
- (c) Increase in the number of candidates taking Computer-Based Examination (CBE) which is undertaken through a partnership with the University of Nairobi Enterprises and Services Ltd (UNES). Computer-Based Examinations were administered in the Certificate in Accounting and Management Skills (CAMS); Accounting Technician Diploma (ATD); Certified Forensic Fraud Examiner (CFFE) and Business Data Analytics Paper for Certified Public Accountants among other examinations.
- (d) Revision of examination policies to address stakeholder needs and requirements.
- (e) Continued administration of three examination sittings per year to reduce the time lag in completion of KASNEB qualifications. This provided more examination sitting opportunities for candidates in the course of the year.
- (f) Continued disbursement of loans and bursaries to deserving students aspiring to pursue/pursuing KASNEB qualifications through the KASNEB Foundation. This impacted positively on student registration and candidature.

MANAGEMENT DISCUSSION AND ANALYSIS

- (g) Enhancement of online delivery of services allowed students to register and book examination from diverse locations at their convenience.
- (h) Continued collaboration with Kenya Universities and Colleges Central Placement Service (KUCCPS), Technical and Vocational Education and Training Authority (TVETA), and Higher Education Loans Board (HELB) to recognise KASNEB's qualifications in KUCCPS to facilitate KASNEB students undertaking tuition in TVET institutions benefit from HELB loans and bursaries.
- (i) Sensitisation of candidates on undertaking Computer-Based Examinations to improve adoption.
- (j) Operationalisation of the research and consultancy function to generate alternative income streams while contributing to enhanced product competitiveness.
- (k) Use of social media platforms for marketing as opposed to mainstream media to save costs.
- (l) Provision of e-resources to students and examiners through the KASNEB Resource Centre.
- (m) Enhanced digital marketing to promote KASNEB qualifications.

In an effort view to improve financial performance, KASNEB sustained the implementation of the following measures among others to manage operational costs, improve savings and enhance efficiency and effectiveness:

- (a) Enhancement of the ERP system thus promoting online delivery of services leading to reduced use of paper and ability to process transactions in remote locations.
- (b) Continued use of student portal in ERP system to facilitate online processing of student registration, examination booking and application for exemptions as opposed to paper based processing. This contributed to reduced use of paper and enhanced efficiency and effectiveness in service delivery.
- (c) Enhanced digital communication and virtual meetings.
- (d) Use of pooled online corporate taxi services to optimise transport costs.
- (e) Engagement of interns under the public service internship programme (PSIP) whose stipends were catered by the Public Service Commission.
- (f) Use of KASNEB Towers II as an examination and marking centre to reduce examination administration costs.
- (g) Merging of examinations centres to reduce examinations administration costs.
- (h) Formal adoption of a paperless KASNEB ACTION plan including the roll-out of electronic letter head and memos.
- (i) Staggered recruitment process to manage staff cost.
- (j) Diversification of investments streams including the opening of an investment account at HF Group.

ENVIRONMENTAL AND SUSTAINABILITY REPORT

1. Sustainability strategy and profile

To ensure sustainability, KASNEB continued to provide market-driven qualifications. During the year, KASNEB established partnerships with other organizations to offer qualifications as follows:

- a) Under the partnership between KASNEB and Kenya Bureau of Standards (KEBS), a new qualification; Certified Quality Professionals was developed and launched during the reporting period.
- b) KASNEB continued partnership with the Kenya Institute of Supplies Examination Board (KISEB) and Marketing Society of Kenya (MSK) in the administration of qualifications on behalf of these bodies.
- c) Continued partnership with with OPC Burundi and facilitated development and administration of the Certified Public Accountants qualification in Burundi.
- d) In addition to the above, KASNEB implemented the following programmes to enhance sustainability:
 - (i) Enhanced digitalisation of KASNEB services and processes through the use of Enterprise Resource Planning (ERP) Systems and the e-citizen which promoted reduced use of paper and enhanced efficiency in processing various transactions.
 - (ii) Sustained the use of the self-service portal that allowed students and candidates access services conveniently thus contributing to reduction of carbon footprint.
 - (iii) Continued administration of Computer Based Examinations (CBE) by onboarding more examinations on the CBE platform. This facilitated reduction of printing examination papers.
 - (iv) Electronic Resources such as past papers, e-books and journals were availed to approximately 11,614 stakeholders comprising students, examiners and trainers.
 - (v) Continued to implement ISO 9001:2015 Quality Management System by undertaking internal quality audit and surveillance audit where conformance to the standard culminates continued certification.
 - (vi) KASNEB continued to implement the following Sustainable Development Goals (SDGs): SDG Goal 4: Quality education; SDG Goal 5: Gender and Equality and SDG Goal 17: Partnerships for the Goals.

The main challenge encountered was that there were some institutions with poor ICT infrastructure and some did not have computers to facilitate administration of CBE examinations. In addition, some KASNEB students are located in remote areas hence face difficulty in accessing online services. KASNEB will explore more partnerships to facilitate penetration in remote areas.

2. Environmental performance

During the Financial Year 2023/2024, KASNEB continued to comply with the requirements of the Environmental Management and Coordination Act, 2015 and associated regulations. The Environmental Sustainability (ES) Policy was revised to address emergent issues. KASNEB continued to promote sustainable use of environmental resources. Some of the initiatives implemented include: reduction of use of paper; reusing of envelopes; proper waste disposal of general solid wastes through National Environment Management Authority (NEMA) registered waste handlers as provided in the Environmental Management and Coordination (Waste Management) Regulations 2006; and recycling of used paper wastes such as examination scripts to

ENVIRONMENTAL AND SUSTAINABILITY REPORT

Chandaria Industries. In addition, KASNEB supported government initiatives geared towards climate change mitigation and adaptation through partnerships as follows:

- The tree growing at KASNEB was launched during the Board retreat held from Monday, 25 September 2023 to Friday, 29 September 2023. Members of the Board planted 10 tree seedlings at Crater Lake on Tuesday, 26 September 2023.
- KASNEB members of staff and Interns participated in planting of one thousand five hundred (1500) trees at the Strathmore University Sports Complex on Friday, 3 November 2023. KASNEB members of staff and Interns collaborated with Kenya Forestry Service, Millennial Environmentalist group, Strathmore University and National Environment Management Authority in planting trees in this activity.
- KASNEB through the member of staff based at Kisumu Huduma Centre donated five hundred and eight (508) tree seedlings to the organising committee of Kisumu tree planting exercise conducted on Monday, 13 November 2023 at Kisumu National polytechnic; Ramogi Institute of Advanced Technology (RIAT) and Kodianga Maximum Prison farmland.
- KASNEB Board Chairman, Chief Executive Officer and four (4) members of the Senior Management Team collaborated with the Kenya Forest Service and other stakeholders in the tree planting activity at Bomas Beat Forest, Nairobi County on Monday, 13 November 2023.
- KASNEB members of staff collaborated with six (6) institutions in the growing of three hundred and twenty-five (325) tree seedlings on Wednesday, 13 March 2024 as follows: GK Prison Naivasha – 200 trees; Naivasha High School – 20 trees; Enaiposha Girls – 50 trees; Naivasha Girls – 20 trees; Naivasha Day – 20 trees; Naivasha Safehouse – 15 trees.
- KASNEB participated in the commemoration of World Environment Day (WED) 2024 held on Wednesday, 5 June 2024 at Embu County. During the event, KASNEB sponsored growing of one thousand two hundred (1,200) tree seedlings of various species worth one hundred and forty thousand shillings (Sh.140,000). The trees were planted at Kiambuthi Wetland at Embu County in collaboration with twenty-two (22) stakeholders including the Kenya Forestry Service.

3. Employee welfare

The hiring process in KASNEB is structured to promote gender equality and stakeholder engagement and is governed by various policies aimed at promoting fairness, equity, and inclusivity. These policies ensure that employment practices align with best practice and related policy guidelines in public service, national laws and international standards, particularly focusing on gender balance and stakeholder engagement. These policies include the obtaining Human Resource Policy and Procedures Manual, other service manuals from the public service and related statutes and constitutional provisions. The standard of policy review at KASNEB is three years with annual reviews to deal with emergent issues and provide policy guidelines to supplement related policy provisions. Where need be, midterm reviews are undertaken pending the end term review to embrace organizational strategic intent, government directives and changes in the labor market.

In compliance with the Constitution of Kenya (2010) and the Gender Equality Act, all employers are required to uphold gender equality in their hiring practices. The aim is to ensure that both men and women have equal opportunities in recruitment, selection, and employment. Further, within the public service, to promote affirmative action and related non-discriminatory practices, Gender has been mainstreamed and integrated to the work operations- KASNEB is no exception. Currently the gender balance ratio is 53:47 for female to

ENVIRONMENTAL AND SUSTAINABILITY REPORT

male ratio; and data is disaggregated to provide related analysis in key decision points in the organization. The essence is to actively work towards achieving gender balance, especially in roles where one gender could be historically underrepresented.

It is worthy to note that as a practice, all hiring processes must be free from gender-based discrimination. Job advertisements, selection criteria, and interview processes are designed to provide equal opportunities irrespective of gender. Discriminatory practices, including those related to pregnancy, marital status, or gender identity, are prohibited. The hiring process is considered transparent, with clear communication regarding job requirements, selection criteria, and decision-making processes to allow review, feedback and related access to information should the need arise. KASNEB is compliant to national labor laws and regulations governing employment. This includes adherence to the Employment Act, which outlines provisions for fair hiring practices and employee rights. Regular audits and reviews of hiring practices are conducted to ensure adherence to legal and policy requirements. Case in point are the varied ISO audits, regular employee related surveys and legal audits undertaken not to mention the annual PSC evaluation on compliance levels where KASNEB has consistently maintained a "higher achievers' rating. Engagement with stakeholders, include employees, our clients and partner organisations, as a critical success factor to draw policies that reflect the needs and expectations of both employees and employers.

In today's competitive landscape, KASNEB must continually invest in its workforce to maintain a high level of performance and employee satisfaction. KASNEB has established a comprehensive/robust training program designed to enhance both technical and soft skills. This includes mandatory onboarding sessions for new hires, role-specific training modules, and access to external certifications relevant to various job functions. To foster a culture of continuous improvement, KASNEB provides employees with access to e-learning platforms, workshops, and seminars. Regular assessments identify skills gaps and guide the development of personalised learning plans. Further, it is part of on the job practice to allow experienced mentors to offer guidance, support, and knowledge sharing to those seeking proficiency at certain work levels. Key to these interactions, is the sharing of institutional knowledge, insight on professional growth and the building of technical expertise. Coaching sessions are also available to address specific career development needs and performance issues. The obtaining career guidelines supports career development through clear career pathing, providing an understanding of the skills and experiences required for advancement and related potential career trajectories within the organisation.

KASNEB conducts regular performance reviews using a structured framework that evaluates employees on predefined criteria such as goal achievement, competencies, and behavioral traits. This process is designed to provide constructive feedback and identify areas for improvement. To ensure a comprehensive evaluation, target setting; biannual reviews and continuous discussions through quarterly appraisals are undertaken. This multi-source feedback helps provide a well-rounded view of performance. Performance appraisals are linked to specific, measurable goals set at the beginning of each review period. Regular check-ins and mid-term reviews ensure that employees remain on track and receive necessary support to achieve their objectives. KASNEB does provide for Competitive Compensation comprising related benefits package that has related financial incentives. However, these are guided by government policy and related ability to sustain payment. A variety of recognition programs are in place to celebrate employee achievements. This includes long service awards, commendation letters amongst other initiatives that highlight contributions and successes. Employees who demonstrate significant growth and leadership potential are given opportunities for promotions, increased responsibilities, and participation in high-impact projects. This aligns personal achievements with organizational goals and provides tangible rewards for career advancement.

ENVIRONMENTAL AND SUSTAINABILITY REPORT

KASNEB has in place a robust OSH Management System that comprises an Obtaining OSH policy, Fire Safety Policy, Security Policy; Committees for both OSH and Security and trains first aiders and fire marshals. It is worthy to note that OSH Audits are conducted annually in compliance to the OSHA 2007 and staff appraised on related findings as a stand procedure. Further, intermittent fire drills to ensure awareness and related response expectations by both staff and its stakeholders within its premises are undertaken.

4. Market Place Practices

a) Responsible Competition Practice

During the period, KASNEB continued to implement strategies to curb corrupt practices as per the corruption prevention policies put in place. As part of the actualizing the Government's agenda, the corporate strategic plan was reviewed to include strategies that support BETA. In appreciation of the business environment and in order to understand the competitors and analyse the competitive environment, a competitor analysis survey was commissioned.

b) Responsible Supply Chain and Supplier Relations

In order to promote Diversity, Equity and Inclusion some tenders were set aside and advertised to the special groups category including Youth, Women and Persons Living with Disability. A total of 167 contracts worth 66 (sixty-six) million were awarded to the Youth, Women and Persons Living with Disability. KASNEB continued to pay suppliers within the 10 days period as stipulated in the organisations service charter.

c) Responsible Marketing and Advertising

As part of implementing its mandate of promoting qualifications nationally, regionally and internationally, KASNEB carried out various marketing and advertising initiatives. A total of one hundred and twenty (120) direct marketing activities were undertaken during the period. The print, electronic and digital media were utilized for advertising where a total of sixteen (16) print, three (3) TV stations and three hundred and sixty-nine (369) digital advertisements were placed in various media.

d) Product Stewardship

The following initiatives were undertaken in order to ensure customers interests and rights were considered:

- i. A new telephony system was implemented to promote better communication with stakeholders.
- ii. The service charter was reviewed and the timelines for various services enhanced as per the minimum recommendations from the Public Service Commission.
- iii. A complaints handling mechanism was implemented and availed to KASNEB stakeholders through the website. The complaints handling mechanism safeguards stakeholders' interest by offering complaints redress mechanisms and ways of harnessing suggestions for service improvements.
- iv. Members of staff were sensitised on the revised customer service charter and complaints handling mechanism so as to promote efficient services within the organization.

e) Corporate Social Responsibility/ Community Engagement

At KASNEB, we recognize the integral role of communities in our operational landscape. Our commitment to Environmental Social Governance (ESG) underscores our dedication to sustainable practices and social

ENVIRONMENTAL AND SUSTAINABILITY REPORT

responsibility. This commitment is rooted in our appreciation of the societal context within which KASNEB operates and strives to achieve its goals.

ESG Pillars

KASNEB's Environmental Social Governance (ESG) policy focuses on the following key pillars:

- **Education and Training:** Supporting educational initiatives and professional development.
- **Health: Promoting** healthcare access and support for vulnerable communities.
- **Disaster Relief:** Helping during times of crisis.
- **Environment:** Initiatives aimed at environmental conservation and sustainability.
- **Youth Talent Development:** Nurturing young talent through various programs.
- **Voluntary Community Service:** Engaging in activities that benefit our communities voluntarily.

During the financial year 2023-2024, KASNEB demonstrated its commitment to ESG with a contribution of Shillings two million five hundred and seventy thousand (2,570,000) towards various initiatives. Additionally, the members of staff actively participated in related ESG engagements. The key highlights include:

- **Environmental Activities:** Participation in tree-planting events such as the World Environment Day in Embu County and the Kaptagat Annual Tree Growing Event. KASNEB facilitated the planting of 3,533 tree seedlings in collaboration with relevant environmental authorities and organizations.
- **Health Activities:** Sponsorship and participation in charitable marathons like the StanChart Marathon and the Mater Heart Run, aimed at raising funds for children in need of heart surgeries.
- **Education and Training:** Support for legal framework reviews and educational funding, including contributions to the review of the CPSK Act 534 and donations to the Kikuyu Constituency Education Foundation (KICE) for the benefit of bright and needy students in the Kikuyu Constituency.
- **Voluntary Community Service:** During the staff team – building activity, KASNEB visited Naivasha Safe House, a temporary shelter for children in need of urgent care and protection, and donated food stuff and planted fruit trees in the compound for sustainability.

These initiatives reflect our ongoing commitment to integrating ESG principles into our business operations and supporting the well-being of the communities we serve.

By emphasizing these efforts in our annual financial report, we aim to transparently demonstrate our dedication to sustainability and social responsibility, aligning with our core values and long-term strategic objectives.



REPORT OF MEMBERS OF THE BOARD

The members of the Board submit their report together with the audited financial statements for the year ended June 30 2024 which disclose the state of affairs of KASNEB.

PRINCIPAL ACTIVITIES

The principal activities of KASNEB are the development of syllabuses, conduct of professional, diploma and technician examinations and certification of candidates in accountancy, finance, credit, governance and management, information technology and related disciplines, the promotion of its qualifications nationally and internationally and the accreditation of relevant training institutions.

RESULTS

The results for the year are set out on pages 1 to 22.

MEMBERS OF THE BOARD

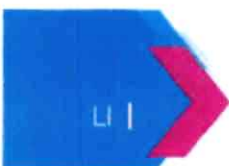
The members of the Board of KASNEB who served during the year and to the date of this report are disclosed on page III.

AUDITORS

The Auditor-General is responsible for the statutory audit of KASNEB financial statements in accordance with the provisions of Article 229 of the Constitution of Kenya, 2010 and Section 7 and 35 of the Public Audit Act, No. 34 of 2015.

By order of the Board

Prof. Nicholas K. Letting', Ph.D, EBS, HSC
Secretary/Chief Executive Officer



STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The members of the Board are responsible for preparing financial statements which give a true and fair view of the state of affairs of KASNEB as at the end of each financial year and of the operating results for that year.

The members of the Board are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of KASNEB. The members and management are also responsible for safeguarding the assets of KASNEB.

The members of the Board accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates and in conformity with the International Public Sector Accounting Standards, Section 81 of the Public Finance Management Act, 2012 and the State Corporations Act, Cap 446. The members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of KASNEB as at June 30 2024 and the financial performance for the year then ended. The members and management further accept responsibility for the maintenance of accurate and complete accounting records which have been relied upon in the preparation of the financial statements as well as on the adequacy of the systems of internal finance controls.

Nothing has come to the attention of the members of the Board to indicate that KASNEB will not remain a going concern for the next twelve months from the date of this statement.

Approval of the Financial Statements

The financial statements were approved by the Board on 31 July 2024 and signed on its behalf by:

Dr. Nancy N. Muriuki, Ph.D
Chairman

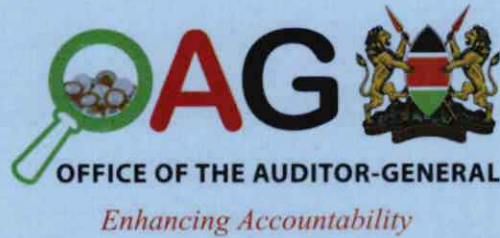

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Prof. Nicholas K. Letting', Ph.D, EBS, HSC
Secretary/Chief Executive Officer


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REPORT OF THE AUDITOR-GENERAL ON KENYA ACCOUNTANTS AND SECRETARIES NATIONAL EXAMINATIONS BOARD FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Accountants and Secretaries National Examinations Board set out on pages 1 to 23, which comprise of the

statement of financial position as at 30 June, 2024, and statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Accountants and Secretaries National Examinations Board as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Accountants Act, 2008.

Basis for Opinion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Accountants & Secretaries National Examinations Board Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of Kshs.986,200,000 and Kshs.863,056,260, respectively resulting to an under-collection of Kshs.123,143,740 or 12% of the budget.

The under-funding affected implementation of the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Long Outstanding Rental Income Receivable

The statement of financial position reflects a balance of Kshs.94,175,808 in respect of trade and other receivables which, as disclosed in Note 16 to the financial statements,

includes a balance of Kshs.30,335,645 in respect of rental income receivable. However, the balance includes Kshs.7,600,141 that have been outstanding for over three (3) years.

Management has however explained that approval to write off the amount was received in November, 2024.

Other Information

Management is responsible for the other information set out on page (iii) to (lii) which comprise of Corporate Information, Chairman's Statement, Report by the Secretary /Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of Members of the Board and Statement of Board Member's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Kenya Accountants and Secretaries National Examinations Board's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My Opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Delayed Completion of Enterprise Resource Planning Project

The statement of financial position reflects a balance of Kshs.133,404,875 in respect of intangible assets which, as disclosed in Note 17 to the financial statements, includes a balance of Kshs.14,048,806 in respect of work-in-progress for an Enterprise Resource Planning (ERP) System. Review of records revealed that the Board entered into a contract agreement with a Contractor for the supply, development, commissioning and

support of the System on 9 September, 2019 at a contract sum of Kshs.49,918,280 for a period of six (6) months. The contract has had several extensions with Management indicating that the Project is currently in the final stages of the warranty period which is set to expire on 31 March, 2025.

Review of the Project's status implementation report as at 30 April, 2024 revealed that the Project was only 75% complete. Although no extra project costs have been incurred so far, it is clear that the Project has taken unduly long to complete and the Board has not obtained value for money invested in the Project.

In the circumstances, value for money for the amount of Kshs.14,048,806 spent so far on the project could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weaknesses in Management of Unclaimed Receipts

The statement of financial position reflects a balance of Kshs.113,429,497 in respect of trade and other payables as disclosed in Note 19 to the financial statements. Included in this balance is Kshs.89,381,182 in respect of unapplied receipts that have accrued over the periods and have not been allocated to any revenue stream. Although Management indicated that it is working on a policy to address and account for all the unapplied receipts going forward, the unclaimed receipts continue to accumulate.

In the circumstances, the effectiveness of the Board's controls over unclaimed receipts could not be confirmed.

2. Long Outstanding System Reconciliation Items

The statement of financial position reflects a balance of Kshs.344,518,762 in respect of cash and bank balances, as disclosed in Note 13 to the financial statements. However,

review of bank reconciliation statements revealed long outstanding uncredited cheques and unpresented cheques of Kshs.126,376,536 and Kshs.142,844,783 respectively, with some reconciling items dating back to 2021. Although the review of the bank statements and the cash books revealed that the reconciling items are actually cleared, it was however noted that the reconciliation module of the ERP system adopted by the Board was unable to clear the same and the service provider was yet to resolve the long outstanding system reconciliation items.

In the circumstances, the effectiveness of the automated bank reconciliation process could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Board's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

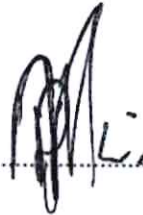
23 December, 2024

STATEMENT OF **FINANCIAL PERFORMANCE**
FOR THE YEAR ENDED JUNE 30, 2024

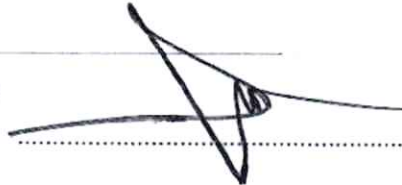
	Note	2023/2024	2022/2023
		Sh.	Sh.
Revenue from exchange transactions			
Income from exchange transactions	4	691,918,681	631,630,906
Income from other exchange transactions	5	171,137,579	153,389,056
		<u>863,056,260</u>	<u>785,019,962</u>
Expenses			
Operating expenses	6	300,453,922	228,031,090
Employee costs	7	385,159,041	395,146,636
Board expenses	8	22,234,795	17,138,688
Administration costs	9	67,004,022	47,476,710
Repairs and maintenance	10	3,003,659	1,376,433
Contracted services	11	28,510,107	17,736,234
Depreciation and amortisation	12	56,442,537	51,340,186
		<u>862,808,083</u>	<u>758,245,977</u>
Surplus/(Deficit) for the period		<u>248,176</u>	<u>26,773,985</u>

The financial statements and notes set out on pages 1 to 22 were signed by:

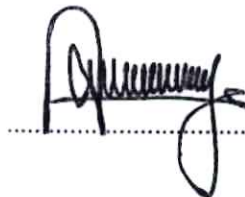
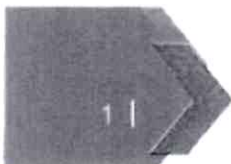
Dr. Nancy N. Muriuki, Ph.D
CHAIRMAN



Prof. Nicholas K. Letting', Ph.D, EBS, HSC
Secretary/Chief Executive Officer



CPA Sailot A. Keke
Deputy Director Finance
ICPAK No. 7339

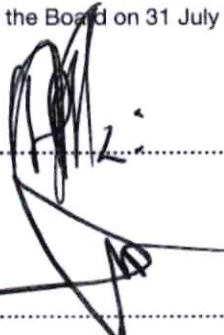



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

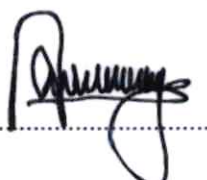
ASSETS	Note	2023/2024	2022/2023
		Sh.	Sh.
Current assets			
Cash and bank balances	13	344,518,762	317,790,976
Held to maturity investments	14.1	131,702,951	220,515,969
Trade and other receivables	16	94,175,808	50,466,491
		<u>570,397,521</u>	<u>588,773,436</u>
Non current assets			
Property, plant and equipment	15(b)	1,164,258,870	1,197,774,027
Leasehold land	15(c)	365,000,000	365,000,000
Intangible assets	17	133,404,875	127,715,077
Held to maturity investments	18	123,497,900	97,365,800
		<u>1,786,161,644</u>	<u>1,787,854,904</u>
Total assets		<u>2,356,559,165</u>	<u>2,376,628,340</u>
LIABILITIES			
Current liabilities			
Trade and other payables	19	113,429,497	131,379,891
Provisions	20	75,185,093	73,134,151
Prepayments received in advance	21	35,455,731	35,998,630
Total liabilities		<u>224,070,321</u>	<u>240,512,672</u>
Net assets		<u>2,132,093,331</u>	<u>2,136,115,668</u>
Revaluation reserve	22	379,884,314	383,759,314
Accumulated surplus	23	1,752,604,530	1,752,356,354
		<u>2,132,488,844</u>	<u>2,136,115,668</u>
Total net assets and liabilities		<u>2,356,559,165</u>	<u>2,376,628,340</u>

The financial statements on pages 1 to 6 were approved by the Board on 31 July 2024 and were signed on its behalf by:

Dr. Nancy N. Muriuki, Ph.D
Chairman


.....

Prof. Nicholas K. Letting', Ph.D, EBS, HSC
Secretary/Chief Executive Officer


.....

CPA Sailot A. Keke
Depty Director Finace
ICPAK No. 7339

STATEMENT OF **CHANGES IN NET ASSETS** FOR THE YEAR ENDED JUNE 30, 2024

	Note	Revaluation reserves	Accumulated surplus	Total
		Sh.	Sh.	Sh.
Balance as at 30 June 2022		387,634,314	1,725,582,369	2,113,216,683
Amortisation charge for the year - Revaluation Reserve		(3,875,000)	-	(3,875,000)
Dividends paid to the Government		-	-	-
Surplus/(Deficit) for the period		-	26,773,985	26,773,985
Balance as at 30 June 2023		383,759,314	1,752,356,354	2,136,115,668
Amortisation charge for the year - Revaluation Reserve	15(b)	(3,875,000)	-	(3,875,000)
Surplus/(Deficit) for the period		-	248,176	248,176
Balance as at June 30, 2024		<u>379,884,314</u>	<u>1,752,604,530</u>	<u>2,132,488,844</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2023/2024	2022/2023
		Sh.	Sh.
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Income from exchange transactions	4	691,918,681	631,630,906
Prior year adjustment		-	-
Interest income	5	55,879,037	43,895,723
Income from other exchange transactions		115,258,542	109,493,334
Total receipts		863,056,260	785,019,963
Payments			
Operating expenses	6	(300,453,922)	(228,031,090)
Employee costs	7	(385,159,041)	(395,146,636)
Board expenses	8	(22,234,795)	(17,138,688)
Administration costs	9	(67,004,022)	(47,476,710)
Repairs and maintenance	10	(3,003,659)	(1,376,433)
Contracted services	11	(28,510,107)	(17,736,234)
Decrease in trade and other receivables		(43,709,317)	5,540,181
Increase/(Decrease) in payables, provisions and prepayments		(16,442,351)	(26,954,677)
Total payments		(866,517,214)	(728,320,287)
Net cash generated from operating activities	24	(3,460,954)	56,699,675
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15 (b)	(18,443,371)	(6,784,445)
Purchase of intangible assets	17	(14,048,806)	(26,885,786)
Decrease/(Increase) in investments		(26,132,100)	10,000,000
Net cash utilised in investing activities		(58,624,277)	(23,670,231)
Cash flows from financing activities:			
Dividends paid to the Government			
Net increase /(decrease) in cash and cash equivalents		(62,085,232)	33,029,445
Cash and cash equivalent at 1 July	14	538,306,944	505,277,500
Cash and cash equivalent at 30 June	14	476,221,713	538,306,944

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
	Sh.	Sh.	Sh.	Sh.	Sh.
INCOME FROM EXCHANGE TRANSACTIONS					
Examinations booking fees	558,800,000		558,800,000	474,366,355	(84,433,645)
Registration fees	123,200,000		123,200,000	97,444,774	(25,755,226)
Annual registration renewal fees	70,800,000		70,800,000	42,807,906	(27,992,094)
Exemption fees	86,400,000		86,400,000	77,299,646	(9,100,354)
Sale of publications	2,000,000		2,000,000	-	(2,000,000)
Sub-Total	841,200,000		841,200,000	691,918,681	(149,281,319)
INCOME FROM NON-EXCHANGE TRANSACTIONS					
Interest earned	40,000,000		40,000,000	55,879,037	15,879,037
Rental income	80,000,000		80,000,000	91,556,965	11,556,965
Gain on foreign exchange	-		-	2,832,206	2,832,206
Gain on disposal of cash	-		-	1,956,000	1,956,000
Miscellaneous income	25,000,000		25,000,000	18,913,371	(6,086,629)
Sub-total	145,000,000		145,000,000	171,137,579	26,137,579
Total income	986,200,000		986,200,000	863,056,260	(123,143,740)
EXPENDITURE ON OPERATIONS					
Examinations and invigilation	128,000,000		128,000,000	130,179,925	(2,179,925)
Examination prizes	8,000,000		8,000,000	2,328,486	5,671,514
Hire of examination halls	8,000,000		8,000,000	8,725,517	(725,517)
Data processing	28,300,000		28,300,000	19,252,719	9,047,281
Printing and stationery	24,000,000		24,000,000	18,511,227	5,488,773
Local travelling and transport	6,600,000		6,600,000	7,620,305	(1,020,305)
Long distance travel and transport	5,000,000		5,000,000	5,394,875	(394,875)
Postage and telephone	5,000,000		5,000,000	2,787,574	2,212,426
Salaries and wages	368,500,000		368,500,000	326,316,602	42,183,398
Pensions and benefits	56,150,000		56,150,000	38,986,106	17,163,894
Education and training	20,000,000		20,000,000	19,856,332	143,668
Repairs and maintenance	3,300,000		3,300,000	3,003,659	296,341
Audit fees	1,100,000		1,100,000	1,100,000	-
Insurance	4,400,000		4,400,000	1,980,647	2,419,353
Sundry expenses	6,900,000		6,900,000	6,837,121	62,879
Bank charges	2,000,000		2,000,000	3,176,274	(1,176,274)
Board expenses	22,000,000		22,000,000	22,234,795	(234,795)
Marketing and communication	55,000,000		55,000,000	55,886,160	(886,160)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
	Sh.	Sh.	Sh.	Sh.	Sh.
Students' journal- KASNEB Newsline	500,000	-	500,000	499,960	40
Legal expenses	2,500,000	-	2,500,000	1,692,794	807,206
Rent and rates	700,000	-	700,000	531,330	168,670
Office provisions	5,000,000	-	5,000,000	4,307,361	286,985
Resource and Innovation	7,550,000	-	7,550,000	6,959,762	590,238
Examinations research and development	15,000,000	-	15,000,000	15,081,803	(81,803)
Impairment of receivables	3,500,000	-	3,500,000	7,600,142	(4,100,142)
Sub total	787,000,000	-	787,000,000	710,851,418	66,010,923
EXPENDITURE ON OTHER ITEMS					
Insurance and maintenance of office premises	16,800,000	-	16,800,000	12,198,073	4,601,927
Contracted services	20,800,000	-	20,800,000	28,510,107	(7,710,107)
Social responsibility	6,300,000	-	6,300,000	6,286,440	13,560
KASNEB Foundation Bursary	10,000,000	-	10,000,000	7,500,000	2,500,000
Strategic planning expenses	1,500,000	-	1,500,000	1,382,150	117,850
Website development and maintenance	8,000,000	-	8,000,000	5,879,777	2,120,223
Miscellaneous expenses	1,000,000	-	1,000,000	1,195,569	(195,569)
Consultancies, Surveys and ISO expenses	20,900,000	-	20,900,000	32,562,012	(11,662,012)
Sub-total	85,300,000	-	85,300,000	95,514,129	(10,214,128)
Total expenditure	872,300,000	-	872,300,000	806,365,546	65,528,800
Surplus from operations	54,200,000	-	54,200,000	(18,932,737)	(73,538,391)
Surplus from other sources	59,700,000	-	59,700,000	75,623,451	15,923,451
Surplus before depreciation and amortisation	113,900,000	-	113,900,000	56,690,714	(57,614,940)
Depreciation and amortisation expenses	60,800,260	-	60,800,260	56,442,537	4,367,864
Surplus/(Deficit) for the year	53,099,740	-	53,099,740	248,176	(53,247,077)

EXPLANATORY NOTES ON VARIANCES IN FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The following are explanations on some variances in the financial statement.

1. INCOME FROM EXCHANGE AND OTHER EXCHANGE TRANSACTIONS

The reported total income from exchange and other transactions of Sh.863 million for the financial year ended 30 June 2024 was lower than the budgeted income of Sh.986.2 million by Sh.123.2 million representing a negative variance of 12.5%.

The following is a brief analysis of the major sources of income.

1.1 Examination entry fees

The reported income of Sh.474.4 million was lower than the budgeted income of Sh.558.8 million by Sh.84.4 million representing a negative variance of 15%. This is attributable to lower number of candidates who entered for the examinations compared to the projected numbers.

1.2 Registration fees

The reported income of Sh.97.4 million was lower than the budgeted income of Sh.123.2 million by Sh.25.8 million representing a negative variance of 21%. This is attributable to lower number of students who registered as new students compared to the projected numbers.

1.3 Annual registration renewal fees

The reported income of Sh.42.8 million was lower than the budgeted income of Sh.70.8 million by Sh.28 million representing a negative variance of 39.5%. The variance is attributed to lower number of candidates as explained 1.1 above and the discount for the activating the dormant students.

1.4 Exemption fees

The reported income of Sh.77.3 million compared favorably with the budgeted income of Sh.86.4 million, although slight lower due to reduced number of candidates seeking exemptions.

1.5 Interest earned

The reported income of Sh.55.8 million compared favorably with the budgeted income of Sh.40 million.

1.6 Rental income

The reported income of Sh.91.6 million compared favorably with the budgeted income of Sh.80 million.

2. EXPENDITURE

The total expenditure before depreciation of Sh.806.4 million for the financial year ended 30 June 2024 was lower than the budgeted expenditure of Sh.872.3 million by Sh.65.9 million representing a positive variance of 7.6%. The following is a brief analysis of some of the main items of expenditure.

2.1 Examinations and invigilation

The reported expenditure of Sh.130.2 million was more than the budgeted expenditure of Sh.128 million by Sh.2.2 million. This is attributable to increased cost associated with administration of computer based examinations.

EXPLANATORY NOTES ON VARIANCES IN FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

2.2 Examination prizes

The reported expenditure of Sh.2.3 million was lower than the budgeted expenditure of Sh.8 million by Sh.5.7 million representing a positive variance of 71%. This is attributable to the reduction in cost as a result of virtual prize award ceremony.

2.3 Printing and stationery

The reported expenditure of Sh.18.5 million was lower than the budgeted expenditure of Sh.24 million by Sh.5.5 million representing a positive variance of 22.9%.

This is attributable to:

- (a) Reduced quantity of examination stationery as a result of lower number of candidates who entered for examinations compared to the projected number of examination entries.
- (b) Initiatives to make KASNEB paperless.
- (c) Utilisation of interactive website by the students.
- (d) Increased use of intranet in office communication.

2.4 Postage and telephone

The reported expenditure of Sh.2.8 million was lower than the budgeted expenditure of Sh.5 million by Sh.2.2 million representing a positive variance of 44%.

This was attributable to the savings realized on implementation of the ERP system that had enhanced students' customer experience by real time downloading of timetables, receipts and result notifications through the student portal. This has in return minimised telephone costs that would be incurred to reach out to students for information dissemination.

2.5 General insurance

The reported expenditure of Sh.2 million was lower than the budgeted expenditure of Sh.4.4 million by Sh.2.4 million representing a positive variance of 55%. This is attributable to deferment of insurance expenses on planned procurement of ICT equipments, primary data centre and office partitioning which were reshuffled to 2024/2025 financial year.

2.6 Insurance and maintenance of KASNEB Towers

The reported expenditure of Sh.12.2 million was lower than the budgeted expenditure of Sh.16.8 million by Sh.4.6 million representing a positive variance of 27.4%. This was attributable to rationalization on expenses related to cleaning services, repairs and maintenance of KASNEB Towers I and Towers II.

2.7 Website development and maintenance

The reported expenditure of Sh.5.9 million was lower than the budgeted expenditure of Sh.8 million by Sh.2.1 million representing a positive variance of 26.5%. This was attributable to the planned telephony annual maintenance and repairs expenses which was not incurred as a result of transition to a new telephony facility.

2.8 Consultancy, surveys and ISO expenses

The reported expenditure of Sh. 32.6 million was higher than the budgeted expenditure of Sh.20.9 million by Sh.11.7 million representing a negative variance of 56%.

This is attributable to:

- (a) Tender development and evaluations for change of service providers in order to realise value for money on the goods and services offered to KASNEB.
- (b) Implementation of 20th cycle of Performance Contracting targets which related to productivity mainstreaming and re-engineering of KASNEB processes.
- (c) Consultancy services for legal and compliance audits, development of Research, innovation, knowledge management policies and strategies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

1. GENERAL INFORMATION

KASNEB is established by and derives its authority from the Accountants Act No. 15 of 2008 which repealed and replaced the Accountants Act Cap 531 of 1977. The entity is wholly owned by the Government of Kenya and domiciled in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Public Finance Management (PFM) Act, 2012 Section 192 provided the setting up of the Public Sector Accounting Standards Board (PSASB). The Cabinet Secretary, National Treasury gazetted members of the Board through Gazette Notice No. 1199 of 28 February 2014. Following the Board's approval on the adoption of the International Financial Reporting Standards (IFRS) for state organs operating as Commercial Business Entities and The International Public Sector Accounting Standards (IPSAS) for non-commercial entities, KASNEB adopted the pronouncements made by the IPSAS Board in preparation of the financial statements effective from the financial year 2013/2014. The financial statements are presented in Kenya Shillings

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The statement of cash flows is prepared using the indirect method. The financial statements are prepared on accrual basis.

3(A) ADOPTION OF NEW AND REVISED STANDARDS

i **New and amended standards and interpretations in issue effective in the year ended 30 June 2024.**

There were no new and amended standards issued in the financial year.

ii **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024**

IPSAS 43 - Leases

Applicable 1st January 2025

The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases.

The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.

The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.

IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations Applicable 1st January 2025

The Standard requires:

Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

IPSAS 45- Property Plant and Equipment

Applicable 1st January 2025

The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

IPSAS 46 Measurement

Applicable 1st January 2025

The objective of this standard was to improve measurement guidance across IPSAS by:

Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

Clarifying transaction costs guidance to enhance consistency across IPSAS;

Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

The standard also introduces a public sector specific measurement bases called the current operational value.

IPSAS 47- Revenue

Applicable 1st January 2026

The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.

IPSAS 49- Retirement Benefit Plans

Applicable 1st January 2026

The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan

iii Early adoption of standards

KASNEB did not early - adopt any new or amended standards in the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

3(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue from exchange transactions

Examination fees is accounted for in the financial year in which the relevant examination takes place. No value is placed on stocks of examination stationery and past examination papers. Other fees income is accounted for when received. Examination fees refunded to students and candidates are accounted for in the year in which the refunds are made.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation

Depreciation is calculated on a straight line basis to write off property, plant and equipment over their estimated useful lives.

Non-current assets acquired during the financial year are depreciated using full year depreciation in the year of purchase while no depreciation is provided in the year of disposal. Construction work in progress is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

The annual rates of depreciation in use are:

Buildings.....	2.5%
Buildings- Construction in progress.....	Nil
Information communication technology equipment.....	33.3%
Furniture and fittings.....	20%
Machinery and office equipment.....	20%
Motor vehicles	20%

Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of intangible assets is assessed as finite and cost amortised over three year period.

Leasehold land

KASNEB owns leasehold land (LR.209/522/1) in Upper Hill area, Nairobi, on which stands its office premises. The lease on the land expires in the year 2097.

Financial instruments

Financial assets

Initial recognition and measurement

Financial instruments are contracts that give rise to both financial assets and financial liabilities. The financial assets comprise government securities in form of Treasury bills and bonds and are held to maturity. Financial assets within the scope of IPSAS 29: Recognition and Measurement are classified as financial assets and are held to maturity and recognised in the financial statements at cost taking into account any discount or premium on acquisition.

Impairment of financial assets

KASNEB assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- (i) The debtors or a entity of debtors are experiencing significant financial difficulty.
- (ii) Default or delinquency in interest or principal payments.
- (iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- (iv) Observable data indicates a measurable decrease in estimated future cash flows (such as changes in arrears or economic conditions that correlate with defaults).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. KASNEB determines the classification of its financial liabilities at initial recognition. KASNEB currently has no financial liabilities.

Provisions

These are recognized accordance with the provisions of IPSAS 19: Provisions; where a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expenses relating to any provision are presented in the statement of financial performance net of any reimbursement. Additional disclosure of the estimated provisions is included in Note 22.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Where KASNEB expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent assets

KASNEB does not recognise a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of KASNEB in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Contingent liabilities

KASNEB recognizes a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. As disclosed on note 16 KASNEB has entered into major capital commitments that would entail large cash flow commitments in the future.

Changes in accounting policies and estimates

KASNEB recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Employee benefits

Retirement benefits

KASNEB operates a staff retirement benefits scheme for its employees. The scheme, which was established on 1 January 1980, operates according to the provisions of the Retirement Benefits Act, 1997. The assets of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

this scheme are held in a separate trustee administered fund that is funded by contributions from both the employees and KASNEB as the sponsor. The scheme was converted from a defined benefits scheme to a defined contribution scheme with effect from 1 July 2011 in compliance with Treasury circular No. 18/2010 and the Retirements Benefits Act.

KASNEB has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

KASNEB and all its employees also contribute to a statutory defined contribution scheme, the National Social Security Fund (NSSF). The contributions are determined by the National Social Security (NSSF) Act, 2013.

Related parties

KASNEB regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over KASNEB, or vice versa. Members of key management are regarded as related parties and comprise the members of the Board, the Chief Executive and heads of divisions and units.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank and highly liquid investments in Treasury bills which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to members of staff which were not surrendered or accounted for at the end of the financial year.

Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

Significant judgments and sources of estimation uncertainty

The preparation of the financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. KASNEB based its assumptions and estimates

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the KASNEB. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- (i) The condition of the asset based on the assessment of experts employed by KASNEB.
- (ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- (iii) The nature of the processes in which the asset is deployed.
- (iv) Availability of funding to replace the asset.
- (v) Changes in the market in relation to the asset.

Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30 June 2024.

	Note	2023/2024	2022/2023
		Sh.	Sh.
4. INCOME FROM EXCHANGE TRANSACTIONS			
Examination booking fees		474,366,355	419,718,971
Registration fees		97,444,774	92,318,891
Annual registration renewal fees		42,807,906	47,395,307
Exemption fees		77,299,646	72,197,737
		691,918,681	631,630,906
5. INCOME FROM OTHER EXCHANGE TRANSACTIONS			
Rental income		91,556,965	88,777,323
Interest income	5.1	55,879,037	43,895,723
Gain on disposal of assets		1,956,000	-
Foreign exchange gain/loss		2,832,206	-
Miscellaneous income		18,913,371	20,716,010
		171,137,579	153,389,056
5.1 INTEREST INCOME			
Interest income comprises the following:			
Accrued interest from government securities/ mortgage		46,535,483	32,774,034
Interest received from mortgage deposit		4,453,005	8,958,118
Interest earned from bank balances		4,688,437	1,941,571
Interest earned from advances to staff		202,112	222,000
		55,879,037	43,895,723

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

	Note	2023/2024	2022/2023
		Sh.	Sh.
6.			
		OPERATING EXPENSES	
		130,179,925	101,012,698
		2,328,486	1,132,500
		8,725,517	6,572,895
		19,252,719	11,748,380
		18,511,227	18,722,395
		7,620,305	5,293,565
		5,394,875	3,421,772
		2,787,574	2,914,607
		1,100,000	1,000,000
		1,980,647	1,890,570
	6.1	6,837,121	8,328,731
		3,176,214	2,329,037
		55,886,160	38,728,340
		499,960	500,000
		1,692,794	1,074,108
		531,330	673,500
		4,307,361	4,732,732
		6,959,762	3,069,847
		15,081,803	14,885,413
		7,600,142	-
		300,453,922	228,031,090
6.1			
		SUNDRY EXPENSES	
		1,041,500	-
		451,837	45,183
		5,343,784	8,283,548
		6,837,121	8,328,731
7.			
		EMPLOYEE COSTS	
		174,551,007	159,417,519
		38,986,106	58,205,877
		28,873,130	34,729,710
		6,064,257	6,884,064
		8,469,446	11,985,476
		17,130,153	15,651,625
		19,856,332	21,654,540

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

	Note	2023/2024	2022/2023
		Sh.	Sh.
		42,603,505	38,310,740
		8,553,022	8,142,743
		29,353,903	30,103,835
		4,179,703	3,924,502
		6,538,476	6,136,006
		385,159,042	395,146,636
8.	BOARD EXPENSES		
		880,000	960,000
		16,431,315	11,119,899
		4,923,480	5,058,789
		22,234,795	17,138,688
9.	ADMINISTRATION COSTS		
		12,198,073	13,948,723
	9.1	6,286,440	5,940,415
		7,500,000	9,895,168
		1,382,150	1,754,389
		5,879,777	4,988,048
		1,195,569	834,371
		32,562,012	10,115,596
		67,004,021	47,476,710
9.1	SOCIAL RESPONSIBILITY		
		6,286,440	5,940,415
		6,286,440	5,940,415
10.	REPAIRS AND MAINTENANCE		
		511,501	583,600
		2,051,658	592,833
		440,500	200,000
		3,003,659	1,376,433
11.	CONTRACTED SERVICES		
		13,998,098	4,314,283
		5,658,650	5,474,440
		1,387,841	292,088
		710,311	1,061,884
		6,110,946	5,750,256
		644,260	843,284
		28,510,106	17,736,234

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

	Note	2023/2024	2022/2023
12.	DEPRECIATION AND AMORTISATION	Sh.	Sh.
	Depreciation - Property, plant and equipment	15(a) 48,083,529	47,586,947
	Amortisation - Intangible assets	17 8,359,008	3,753,239
		56,442,537	51,340,186
13.	CASH AND BANK BALANCES		
	Bank balances	13.1 137,119,904	115,429,594
	Cash-on-hand and in transit	986,512	401,165
	Mortgage deposit	206,412,346	201,960,217
		344,518,763	317,790,976
13.1	BANK BALANCES		
	National Bank of Kenya Ltd. - Main account - A/C No. 01001031572600	14,094,225	15,924,196
	National Bank of Kenya Ltd. - Fee collection account - A/C No. 01001031572601	4,905,566	10,943,616
	Absa Bank of Kenya Ltd. - A/C No. 0708004502	(9,243,781)	15,716,776
	Equity Bank Ltd.- A/C No. 0170299238025	1,102,184	5,150,038
	Cooperative Bank of Kenya Ltd. A/C No. 01129128535900	7,128,148	4,749,734
	Kenya Post Office Savings Bank (Postbank) - A/C No. 0744930009246	-	20,200
	Kenya Commercial Bank Ltd.- Ksh. Account - A/C No. 1203681194	38,719,683	25,519,846
	Kenya Commercial Bank Ltd.- Dollar Account - A/C No. 1123096465	80,413,879	37,405,188
		137,119,904	115,429,594
14.	CASH AND CASH EQUIVALENT		
	Cash and bank balances	344,518,763	317,790,976
	Treasury Bills and Bonds maturing within one year	131,702,951	220,515,969
		476,221,714	538,306,944
14.1	TREASURY BILLS/BONDS MATURING WITHIN ONE YEAR		
	Treasury Bills/Bonds maturing within one year	131,702,951	220,515,969
		131,702,951	220,515,969
15(a)	PROPERTY, PLANT AND EQUIPMENT (NET BOOK VALUES)		
	Building	222,410,248	233,957,966
	Investment property	918,841,654	945,094,273
	Information communication technology equipment	9,100,339	6,731,044
	Furniture and fittings	763,846	1,556,605
	Machinery and office equipment	13,142,782	10,434,138
	Motor vehicles	-	-
		1,164,258,870	1,197,774,027

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

15(b) SCHEDULE OF NON CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT - 2023/2024

	Building	Investment property	Information Communication Technology Equipment	Furniture and Fittings	Machinery and Office Equipment	Motor Vehicles	Total
COST/ VALUATION	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.
At 1 July 2023	291,865,782	1,080,245,676	103,903,308	57,794,706	68,879,331	31,126,278	1,633,815,081
Additions	-	-	11,362,592	-	7,080,779	-	18,443,371
Disposal	-	-	-	-	-	(3,440,000)	(3,440,000)
At June 30, 2024	291,865,782	1,080,245,676	115,265,900	57,794,706	75,960,110	27,686,278	1,848,818,452
DEPRECIATION							
At 1 July 2023	57,907,816	135,151,403	97,172,263	56,238,101	58,445,193	31,126,278	436,041,054
Charge for the year	7,672,719	26,252,619	8,993,297	792,759	4,372,135	-	48,083,529
Eliminated on disposal	-	-	-	-	-	(3,440,000)	(3,440,000)
Revaluation	3,875,000	-	-	-	-	-	3,875,000
At June 30, 2024	69,455,535	161,404,022	106,165,561	57,030,860	62,817,327	27,686,278	484,559,582
NET BOOK VALUE							
At June 30, 2024	222,410,248	918,841,654	9,100,339	763,846	13,142,782	-	1,164,258,870

PROPERTY, PLANT AND EQUIPMENT - 2022/2023

	Building	Investment property	Information Communication Technology Equipment	Furniture and Fittings	Machinery and Office Equipment	Motor Vehicles	Total
COST/ VALUATION	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.
At 1 July 2022	291,865,782	1,080,245,676	97,118,863	57,794,706	68,879,331	31,126,278	1,627,030,636
Additions	-	-	6,784,444	-	-	-	6,784,445
Disposal	-	-	-	-	-	-	-
At June 30, 2023	291,865,782	1,080,245,676	103,903,308	57,794,706	68,879,331	31,126,278	1,633,815,081
DEPRECIATION							
At 1 July 2022	46,360,097	108,898,784	89,213,053	55,357,796	53,623,099	31,126,278	384,579,107
Charge for the year	7,672,719	26,252,619	7,959,210	880,305	4,822,094	-	47,586,947
Revaluation	3,875,000	-	-	-	-	-	3,875,000
At June 30, 2023	57,907,816	135,151,403	97,172,263	56,238,101	58,445,193	31,126,278	436,041,054
NET BOOK VALUE							
At June 30, 2023	233,957,966	945,094,273	6,731,044	1,556,605	10,434,138	-	1,197,774,027

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

	Note	2023/2024	2022/2023
15(c)	LEASEHOLD LAND	Sh.	Sh.
	Cost/valuation	365,000,000	365,000,000
	Additions	-	-
	As at 30 June	365,000,000	365,000,000
	As at 30 June	-	-
	Net book value as at 30 June	<u>365,000,000</u>	<u>365,000,000</u>
16.	TRADE AND OTHER RECEIVABLES		
	Prepayments	5,618,455	9,336,390
	Interest receivable	28,708,842	13,378,899
	Postal Corporation of Kenya (Postapay receipts)	6.3	25,000
	Rental Income receivable	30,335,645	-
	Other receivables	25,554,509	20,114,727
	Staff receivables	3,958,356	7,611,475
		<u>94,175,807</u>	<u>50,466,491</u>
17	INTANGIBLE ASSETS		
	Cost/valuation	168,455,116	141,569,330
	Additions - WIP	14,048,806	26,885,786
	As at 30 June	<u>182,503,922</u>	<u>168,455,116</u>
	Amortization and impairment		
	At 1 July	40,740,039	36,986,800
	Amortisation	8,359,009	3,753,239
	As at 30 June	<u>49,099,048</u>	<u>40,740,039</u>
	Net book value as at 30 June	<u>133,404,874</u>	<u>127,715,077</u>
18	FINANCIAL INSTRUMENTS		
	The financial instruments in which KASNEB has contracted are held to maturity as indicated in note 3 (f) and include Treasury bills and bonds. They are included in the financial statements under current and non-current investments and will mature as follows:		
	Treasury bonds maturing after one year		
	Maturing after one year	<u>123,497,900</u>	<u>97,365,800</u>
19	PAYABLES FROM EXCHANGE TRANSACTIONS		
	Statutory Creditors	7,260,448	6,786,456
	Unapplied receipts	89,381,182	63,882,064
	Welfare payables	2,062,600	1,638,000
	Other Accruals	14,725,267	59,073,371
		<u>113,429,497</u>	<u>131,379,891</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30 2024

	Note	2023/2024	2022/2023
		Sh.	Sh.
20	PROVISIONS		
	Other-non recurrent expenses	-	762,516
	Gratuity	12,824,421	10,949,604
	Audit fee	1,100,000	1,000,000
	Leave days	3,722,004	-
	Other provisions	57,538,668	60,422,031
	Carried forward	75,185,093	73,134,151
21	PAYMENTS RECEIVED IN ADVANCE		
	Prepaid examination fees	35,455,731	35,998,630
22	REVALUATION RESERVES		
	The revaluation reserves arose from a revaluation of land, building and motor vehicles by NW Realite Limited (Land and Building) and Automobile Association - AA of Kenya (Motor vehicles) registered firms of valuers in 2013/2014 financial year.		
	Opening balance - Revaluation Reserves	383,759,314	387,634,314
	Depreciation charge for the year	(3,875,000)	(3,875,000)
	Closing balance	379,884,314	383,759,314
23	ACCUMULATED SURPLUS		
	Balance as at 1 July	1,752,356,355	1,725,582,369
	Prior year adjustment		
	Surplus/(Deficit) for the year	248,176	26,773,985
		1,752,604,531	1,752,356,355
24	RECONCILIATION OF NET INCOME TO CASH GENERATED FROM OPERATING ACTIVITIES:		
	Surplus/(Deficit) for the year	248,176	26,773,985
		-	-
	Adjusted for:		
	Depreciation and amortisation	56,442,537	51,340,186
	Prior year adjustment	-	-
	Increase in payables, provisions and prepayments		
	Increase/Decrease in receivables	(43,709,317)	5,540,181
	Increase/Decrease in payables, provisions and prepayments	(16,442,351)	(26,954,677)
	Net cash flow from operating activities	(3,460,954)	56,699,675

APPENDIX

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external auditor Report	Issue/ Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)																								
	<p>As disclosed in Note 7 to the Financial Statements, the statements of financial performance reflect employee costs of sh.369,303,883 (2018 – Shs. 407,627,717). The employee costs accounts for 59% and 79% of the revenue and total expenses respectively. This exceeds the set limit under Regulation 26 (a) of the Public Finance Management Act (National Government) Regulations, 2015 on fiscal responsibility principles, which provides that expenditure on the compensation to employees shall not exceed thirty-five (35%) percent of total revenue. The Board is in breach of law to this extent.</p>	<p>The ratio of 59% is mainly due to declining student numbers which have impacted on income. Given that the employee costs are fixed; the ratio will gradually come down when the strategies put in place in the financial year 2019/2020 to address income growth achieve the intended outcome.</p> <p>It is also noted that the ERP was going to result into higher efficiency thus overtime cost will be minimal. In addition, some of the non-core activities such as cleaning of the offices, will be outsourced thus resulting into lower employee cost</p>	<p>The employee cost to revenue ratio over the last three years has reduced significantly averaging at a rate of 51% in the current Financial Year posting at 45%(See Annex 1). However, the rate is still above the provided threshold of 35% percent of the PFM Act. In recognition of the need to ensure compliance, KASNEB has incorporated strategies in its Corporate Strategic Plan (2022-2027) to manage the wage bill towards attaining full compliance by the year 2027. In the Financial 2020/2021 KASNEB attained a wage bill index of 59.5% despite the ravaging effects of COVID 19 on KASNEB operations. Implementation of a raft of strategies to grow the income has seen the ratio reduce to 50.3% and 50.4% in the Financial Years 2021/2022 and 2022/2023 and further to 45% in 2023/2024 respectively.</p> <p>Annex 1: Employee Cost to Revenue Ratio</p> <table border="1"> <thead> <tr> <th colspan="4">Employee cost to Revenue Ratio</th> </tr> <tr> <th>Financial Year</th> <th>Employee cost Sh '000'</th> <th>Revenue Sh'000'</th> <th>Employee cost /Revenue Ratio</th> </tr> </thead> <tbody> <tr> <td>2020/2021</td> <td>358,472</td> <td>602,856</td> <td>59.5%</td> </tr> <tr> <td>2021/2022</td> <td>367,330</td> <td>730,963</td> <td>50.3%</td> </tr> <tr> <td>2022/2023</td> <td>394,895</td> <td>785,119</td> <td>50.4%</td> </tr> <tr> <td>2023/2024</td> <td>385,159</td> <td>863,056</td> <td>45.0%</td> </tr> </tbody> </table> <p>The following strategies have been put in place to enhance revenue growth and manage employee cost over time:</p> <ul style="list-style-type: none"> (a) Aggressive marketing of KASNEB courses (b) Full rollout of computer-based examination (c) Phased recruitment - The recruitment of key positions will be done on a phased approach over a period of three years (d) Revision of the organization structure - This will be undertaken coupled with a job evaluation to ensure a lean and keen structure that will deliver the mandate of KASNEB. (e) Full automation of processes to enhance efficiency 	Employee cost to Revenue Ratio				Financial Year	Employee cost Sh '000'	Revenue Sh'000'	Employee cost /Revenue Ratio	2020/2021	358,472	602,856	59.5%	2021/2022	367,330	730,963	50.3%	2022/2023	394,895	785,119	50.4%	2023/2024	385,159	863,056	45.0%	To be resolved gradually with close monitoring.
Employee cost to Revenue Ratio																												
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**POST PROFESSIONAL
QUALIFICATION**



CFFE

KASNEB qualifications

PROFESSIONAL



CPA



CS

PROFESSIONAL



CIFA



CCP



CISSE



CQP

DIPLOMA



ATD

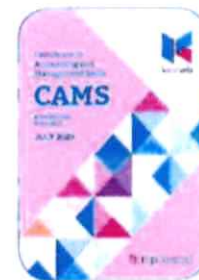


DDMA



DCNSA

CERTIFICATE



CAMS

VOCATIONAL CERTIFICATE



VCEI



VCGD



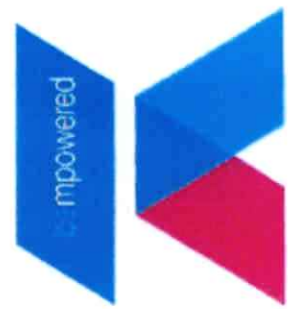
VCICS



VCBCT

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